Financial Management Modernization Initiative (FMMI)

FMMI 206 – Accounts Receivable Overview

Version 2.00

Course Outline

- **Introduction Module**
- Module 1 – Accounts Receivable Process Overview
- Module 2 – Customer Master Data Sub-Process
- Module 3 – Sales Order and Billing Sub-Process
- Module 4 – Accounts Receivable (AR) Invoice Sub-Process
- Module 5 – Collections Sub-Process
- Module 6 – Credit Memo Sub-Process
- Module 7 – Debt Management and Referral Sub-Process
- Module 8 – Accounts Receivable Reports
- Course Summary
- Course Evaluation

Welcome to FMMI Accounts Receivable Overview

The FMMI 206 - Accounts Receivable Overview course will provide you an introduction to the process, coordination, and information needed to understand the Accounts Receivable process in FMMI. The course introduces you to:

- End-to-End Accounts Receivable process
- Key Terminology
- FMMI User Roles and their responsibilities
- Accounts Receivable touchpoints with other process areas
- Accounts Receivable related reports

After completing this course, you will be able to:

- Explain key Accounts Receivable terminology and business concepts
- Explain the high-level Accounts Receivable process and sub-processes
  - Customer Master Data sub-process
  - Sales Order and Billing sub-processes
  - Accounts Receivable Invoice sub-process
  - Collections sub-process
  - Credit Memo sub-process
  - Debt Management and Referral sub-processes
- Explain the FMMI roles required to perform the Accounts Receivable process
- Explain how other business areas interact with the Accounts Receivable process
- Provide examples of the FMMI Accounts Receivable related reports
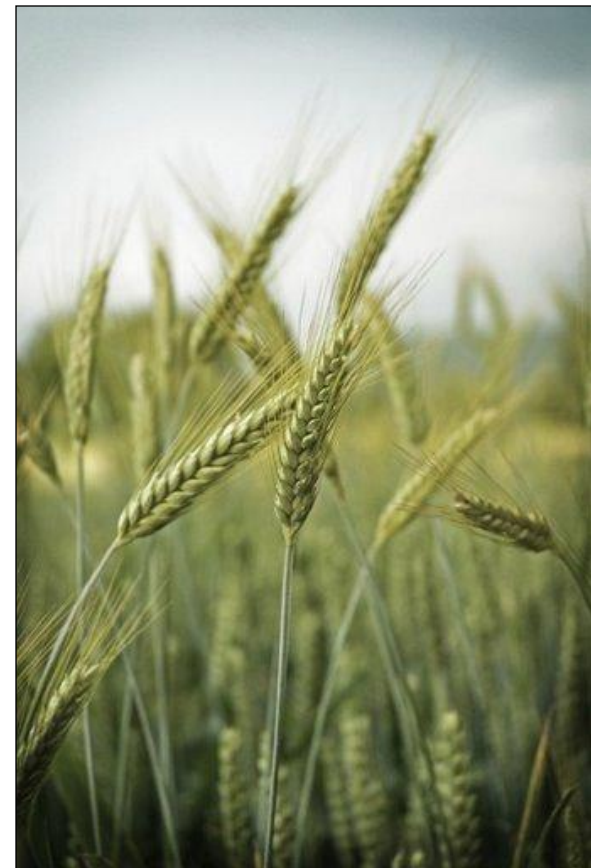
Before you get started with the course modules, review the next slides. The next slides include:

- Business Process Flow Reference Guide

- Review of the content covered in FMMI 101 – Introduction to FMMI

- Review of the FMMI Curriculum

Introduction to FMMI (100 Level) Review

As a prerequisite to the 200 Level courses, you participated in the FMMI 101 - Introduction to FMMI course. FMMI 101 provided a high-level overview of the FMMI project, changes and impacts of the implementation, and benefits of the new system.

After completing the 100 Level course, you learned to:

- Summarize the FMMI program objectives
- Explain the benefits and advantages FMMI provides
- Describe an Enterprise Resource Planning (ERP) solution
- Explain new business processes and concepts
- Explain the key implementation timeline and milestones
- Explain what organizations are impacted by each release of FMMI

The 200 Level Process Overview courses takes a step further and provides you a high-level overview of FMMI's new terminology and business processes.

Your Curriculum

The FMMI Training curriculum outlines the training required for FMMI User Roles. The training courses provide an understanding of the FMMI program and application(s) and the USDA financial processes.

- **Introduction to FMMI** (100 Level)
  - Overview of the FMMI project
  - Instructor-led course, delivered in an auditorium or via teleconference

- **Process Overview (200 Level)**
  - High-level view of USDA's core financial processes
  - Web-based course, delivered via AgLearn Learning Management System

- **System Navigation** (300 Level)
  - Hands-on practice navigating the FMMI system
  - Instructor-led course, delivered in a computer-based classroom

- **Role-Based** (400 Level)
  - Hands-on training and detailed introductions on how to process transactions in the FMMI system
  - Instructor-led course, delivered in a computer-based classroom

Detail and Specialization

100 Level Intro

200 Level Process Overview

300 Level System Navigation

400 Level Role-Based
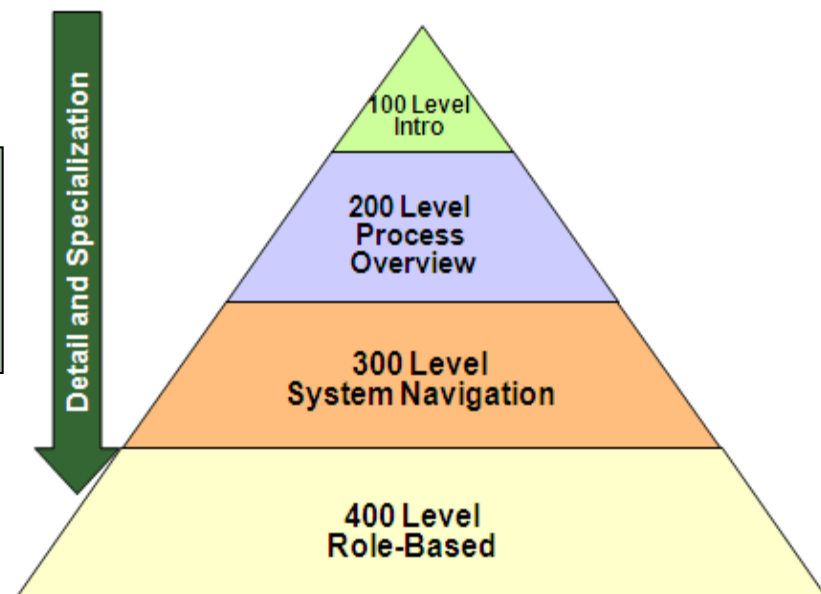
Congratulations! You have completed the Introduction module. The next few modules will provide you with an overview of the Accounts Receivable process in FMMI.

Course Outline

- Introduction Module
- **Module 1 – Accounts Receivable Process Overview**
- Module 2 – Customer Master Data Sub-Process
- Module 3 – Sales Order and Billing Sub-Process
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Welcome to Module 1: Accounts Receivable Overview

- This module will provide an overview of the Accounts Receivable process

- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page

- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course

- When finished with the Module, click **Exit** to mark the module complete and return to AgLearn
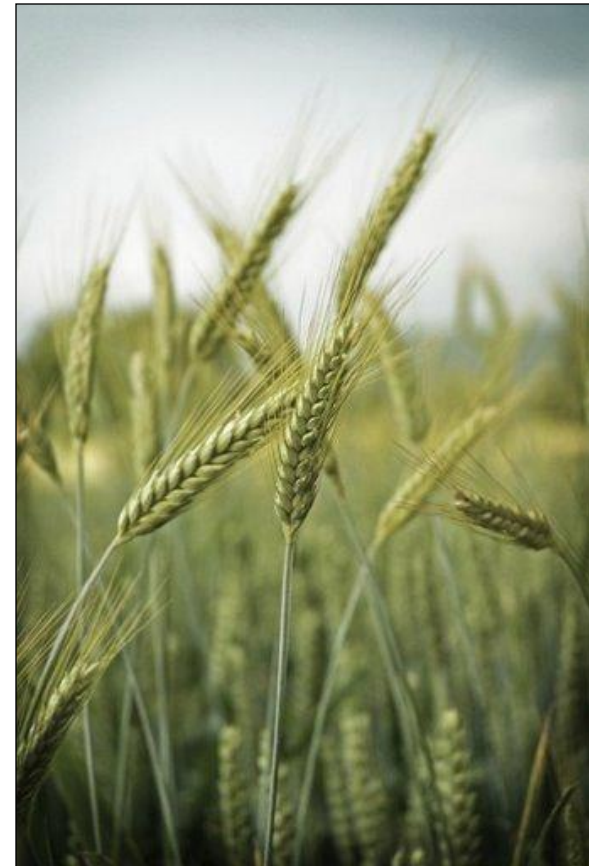
Objectives

After completing this module, you will be able to:

- Explain high-level Accounts Receivable process

- Explain the key Accounts Receivable terminology

- Describe purpose and use of FMMI user roles in the Accounts Receivable process

- Explain the interactions between the Accounts Receivable process and other business areas within FMMI

Key Terminology

Review the following terms and definitions before beginning the Accounts Receivable Process Overview module:

- **Accounts Receivable (AR) Invoice:** A legally binding document itemizing money owed for products or services rendered
- **Billing:** The process of calculating the amount a customer owes USDA for services rendered or products purchased
- **Credit Memo:** A posting that reduces the balance of receivables or payables. A credit memo is normally created if the goods or services provided are returned or the price charged is too high
- **Customer Master Data:** A data record containing all the information necessary to conduct business with a single customer. Each record includes three levels of data: general level data, company code level data, and sales organization level data
- **Reimbursable Agreement:** A contract for the delivery of goods or services by a USDA Agency to a customer, which may be a Federal or non-Federal organization, to whom it may bill for the costs

FMMI Financial Process Flow

This process flow illustrates the FMMI Financial end to end process. The highlighted area illustrates where the Accounts Receivable process fits in the entire process.
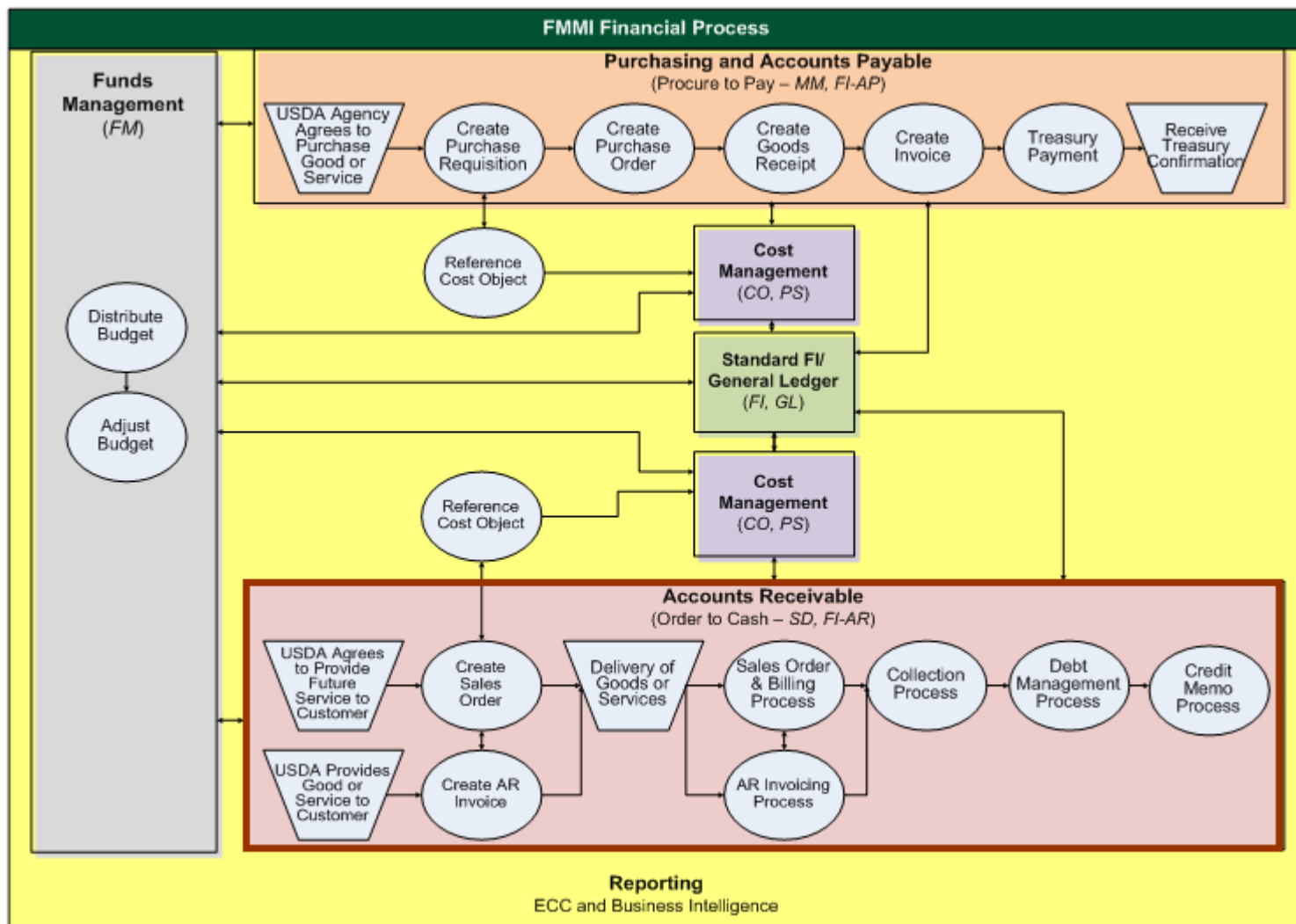
Key Business Concepts

The following business concepts pertain to the Accounts Receivable (AR) process area:

- The FMMI system provides a single location to perform all Accounts Receivable transactions with one username and password
- A customer master data record in the FMMI Customer Master Table represents each unique customer
- Create a sales order, a customer account statement or an Accounts Receivable (AR) invoice in FMMI to manage and collect charges incurred by a customer for goods or services provided by USDA
- Receive and document incoming payments for goods and services provided by the USDA to a customer through the Collections process
- Collect past due debt, charge penalties, fees, and interest, refer for collection, or write-off past due receivables with the Debt Management process
- Reduce the amount a customer owes through the Credit Memo process

FMMI User Roles

- Role Alignment is the process of defining FMMI User Roles required to obtain system access to perform FMMI business processes

- FMMI users are aligned to roles once they are defined

- Proper role definition and alignment:
  - Ensures that the people have access to perform the tasks needed to perform FMMI transactions
  - Ensures proper segregation of duties
  - Ensures FMMI users receive proper training

- An individual user may be assigned one or more FMMI roles based on their responsibilities

- FMMI user roles are explained further in upcoming modules

User Roles and Transactions Continued

The Accounts Receivable process includes the following roles and associated business activities:

Role Name	Business Activity
Accounts Receivable Approver	- Approve and Post AR Documents - Display AR Document - Create AR Reversal Document - Display Parked Document - Reset/Reverse Cleared Items
Accounts Receivable Processor	- Create AR Invoice - Create Credit Memo – AR Invoice - Change AR Document - Display AR Document - Display Parked Document - Print Customer Account Statement - Assignment of Open Items - Edit Assignment of Open Items

Role Name	Business Activity
Accounts Receivable Evaluator	- Display Sales Customer Master - Display Sales Order - Display Billing Document - Display AR Document - Manage AR Document - Display Account Balance for AR Items - Display Condition Records - Display Revenue Forecast
Cash Collection Processor	- Post Incoming Customer Payments - Post a Down Payment from Customer - Manually Clear a Payment - Post Outgoing Customer Payments - Post Incoming Vendor Payments - Post Outgoing Vendor Payments - Clear a General Ledger Account for Partial Offsets

User Roles and Transactions Continued

Role Name	Business Activity
Customer Correspondence Processor	▪ Customer Product Invoice-FI ▪ Customer Product Invoice-SD ▪ Customer Statement
Customer Master Data Maintainer *Department Level Only*	▪ Create Customer Master ▪ Change Customer Master ▪ Display Customer Master ▪ Display Customer Master Changes ▪ Block/Unblock Customer Master ▪ Mark Customer Master for Deletion
Debt Management Processor	▪ Display Billing Document ▪ Calculate and Post Interest, Penalty, and Administrative Fees ▪ Generate Treasury Offset File ▪ Create Treasury Offset File ▪ Update Receivable Status ▪ Submit TROR Report

Role Name	Business Activity
Debt Write-off Processor	▪ Write-off Bad Debt
Lockbox Evaluator	▪ Process Lockbox Documents
Lockbox Processor	▪ Process Lockbox Documents ▪ Lockbox Report
Overhead Allocation Processor	▪ Create Overhead Cost Allocation ▪ Reverse Overhead Allocation
Price Condition Processor	▪ Create Conditions Using Condition Types ▪ Change Conditions Records ▪ Display Conditions Records
Revenue Forecasting Processor	▪ Create Revenue Forecast ▪ Change Revenue Forecast ▪ Display Revenue Forecast ▪ Reduce Revenue Forecast

Role Name	Business Activity
Sales Order Billing Processor	▪ Create Billing Request ▪ Change Billing Document ▪ Display Billing Request ▪ Create Billing Document ▪ Change Billing Document ▪ Display Billing Document ▪ Cancel Billing Document ▪ Print Billing Document ▪ Print Customer Account Statement ▪ Run List of Billing Requests ▪ Create Batch Billing ▪ Run Background Processing ▪ Create Condition Records ▪ Change Condition Records ▪ Display Condition Records

User Roles and Transactions Continued

Role Name	Business Activity
Sales Order Processor	▪ Create Sales Order ▪ Change Sales Order ▪ Display Sales Order

Customer Master Data

Customer master data records represent the individual customers who purchase goods or services from USDA.

- In FMMI, the centrally maintained FMMI Customer Master Table stores customer master data records

- Only Department level users create and maintain customer master data records

- Agency level users submit a request to the Department when a new customer needs to created or an existing customer needs to be modified

- Agency level users use customer master data to complete transactions in FMMI

- A customer can be a Federal or non-Federal customer

- All vendor master data records reside separately in the FMMI Vendor Master table

Customer Master Data

USDA documents the sale of goods or services to a customer in one of two ways:

- Creating a sales order for agreement-based receivables
  - A sales order is a document in FMMI representing an agreement with a customer for the future purchase of goods or services
- Creating an AR invoice for direct accounts receivables
  - An Accounts Receivable (AR) invoice is a document in FMMI representing the customer bill of goods and services after the purchase has occurred
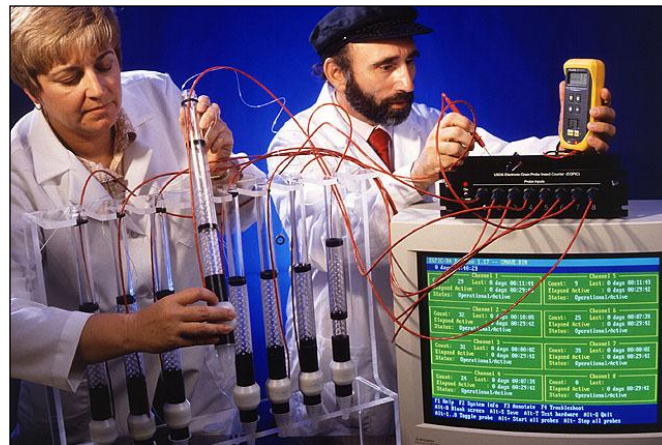
Collections

A customer pays USDA the amount due for a receivable through the Collections process.

- The three FMMI collection methods are:

Intra-Governmental Payment and Collection System (IPAC)	Lockbox	Manual Entry
A payment method allowing the transfer of funds between Government agencies	An intermediate method for collecting money deposited at a bank before the money is transferred to the USDA Account	Collected cash manually entered in System (e.g., Fedwire, pay.gov, credit card statements)

Debt Management and Referral

In the event a customer does not provide payment on time, USDA uses the Debt Management and Referrals process to encourage collection of past due debt and to manage uncollectible debt.

- Customers who qualify can arrange an installment plan to repay the debt over time
- The dunning process encourages repayment of past due debt through a series of notifications and corresponding penalties
- For debt determined uncollectible, USDA can either write-off the debt from the General Ledger or, after 180 days, refer it for collection
- Additionally, the US Treasury offset process can collect some debts

Touchpoints

- Touchpoints are those instances where one process, sub-process or activity interacts with another process, sub-process or activity

- Accounts Receivable interacts with the following processes:
  - Accounts Payable
  - Cost Management
  - Funds Management
  - General Ledger
  - Periodic Processing
  - Purchasing
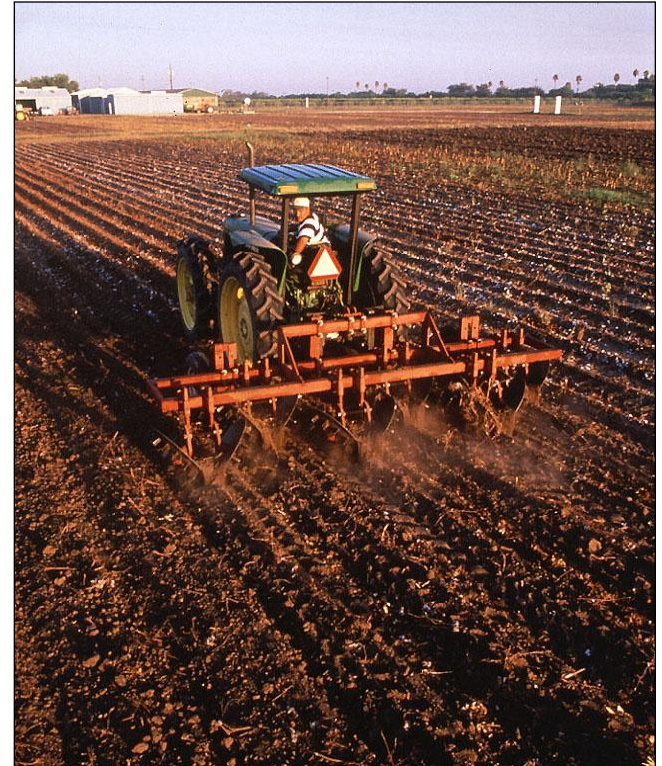
Learning Checkpoint Question and Answer (Q&A)

- The questions on the following pages will test your understanding of key concepts in this module

- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing

- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts

- At any time you can review information from this module by clicking Menu and selecting a page from the Menu pop-up

1. **True/False:** Users are able to complete all Accounts Receivables transactions in one location with one username/password in FMMI (True)

2. **True/False:** A single Customer Master Data record in the FMMI Customer Master Table can represent one or more customers (False)

3. **Multiple Choice:** The Accounts Receivable area of FMMI includes all of the following except:
   a. Create and Manage Customer Master Data
   b. Create Sales Orders
   c. *Create Internal Orders*
   d. Create Billing Documents

4. **Multiple Choice:** Proper role definition and alignment achieve the following goals:

    a. Ensures people have access to perform the tasks needed to achieve FMMI business benefits
    b. Ensures proper segregation of duties
    c. Ensures FMMI users receive proper training
    d. *All of the Above*

5. **Multiple Choice: IPAC, Lockbox, and Manual Checks are methods to:**

    a. *Collect money for open receivables*
    b. Create receivables
    c. Refund money through Credit Memos
    d. None of the Above

Module Summary

In this module, you learned to:

- Explain high-level Accounts Receivable process

- Explain the key Accounts Receivable terminology and business concepts

- Describe purpose and use of FMMI user roles in the Accounts Receivable process

- Explain the interactions between the Accounts Receivable process and other business areas within FMMI

Accounts Receivable
Introduction Module Completion

Congratulations! You have completed Module 1 – Accounts Receivable Overview. The next module provides an overview of the Customer Master Data sub-process.

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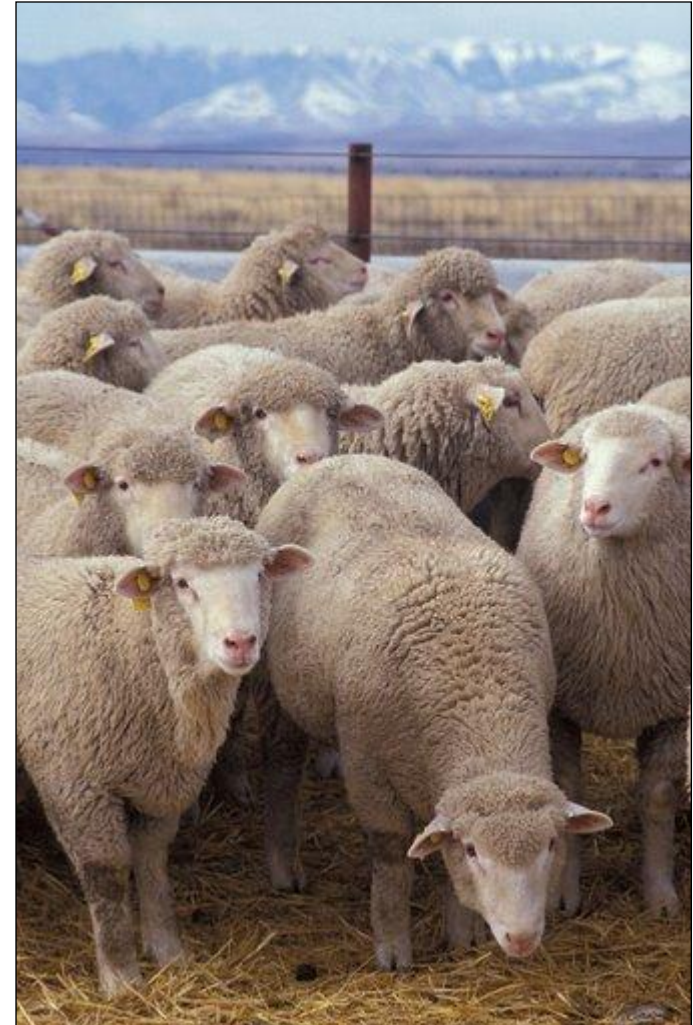- Course Summary
- Course Evaluation

- This module provides an overview of the Customer Master Data sub-process
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn

After completing this module, you will be able to:

- Explain the Customer Master Data sub-process
- Explain the key Customer Master Data sub-process business concepts and terminology
- Describe the roles that manage and view Customer Master Data
- Explain the interactions between the Customer Master Data sub-process and other business areas within FMMI

Key Terminology

Review the following terms and definitions before beginning the Customer Master Data module:

- **Block:** A block against a customer master data record prevents future activity against the account. A block may be applied at the Sales Organization (Agency) or Company Code (USDA) level. Remove a block at anytime to allow future activity against the account

- **Company Code:** The highest organizational structure of financial accounting and control under which all structures use the same chart of accounts.   In FMMI the Company Code will always be USDA

- **Customer Master Data Record:** The data contained within a single record in the FMMI Customer Master table, including general customer data, company code data, and sales data

- **Mark for Deletion:** The process to remove an inactive or duplicate customer master data record from the FMMI Customer Master table

- **Sales Organization:** Organizational unit of Sales and Distribution at the next level below the Company Code level. In FMMI the Sales Organization represents an Agency

FMMI User Roles

The FMMI Customer Master Data sub-process includes the following roles:

| Role Name	Definition
Customer Master Data Maintainer - *Department level role*	• Create, Display, Change Customer Master Data Record • Block/unblock Customer Master Data Record • Mark a customer master data record for deletion
Vendor and Customer Master Data Approver - *Department level role*	• Approves/rejects requests for new customer requests and for changes to customer records
Accounts Receivable Evaluator - *Agency and Department level role*	• Display customer master data record

Role Name	Definition
Vendor and Customer Master Data Requestor *- Agency and Department level role*	▪ Submit requests to create customers and change existing customers
Commercial Vendor and Customer Master Data Evaluator *- Agency and Department level role*	▪ View Vendor and Customer Master Data as it pertains to commercial vendors and customers, PII is not masked for this role
Employee Vendor and Customer Master Data Evaluator *- Agency and Department level role*	▪ View Vendor and Customer Master Data as it pertains employees, PII is not masked for this role
Vendor and Customer Master Data Evaluator *- Agency and Department level role*	▪ View Vendor and Customer Master Data, this role will not have access to PII data

This process flow outlines the key activities related to the Customer Master sub-process:

Create and Maintain Customer Master Data Sub-Process
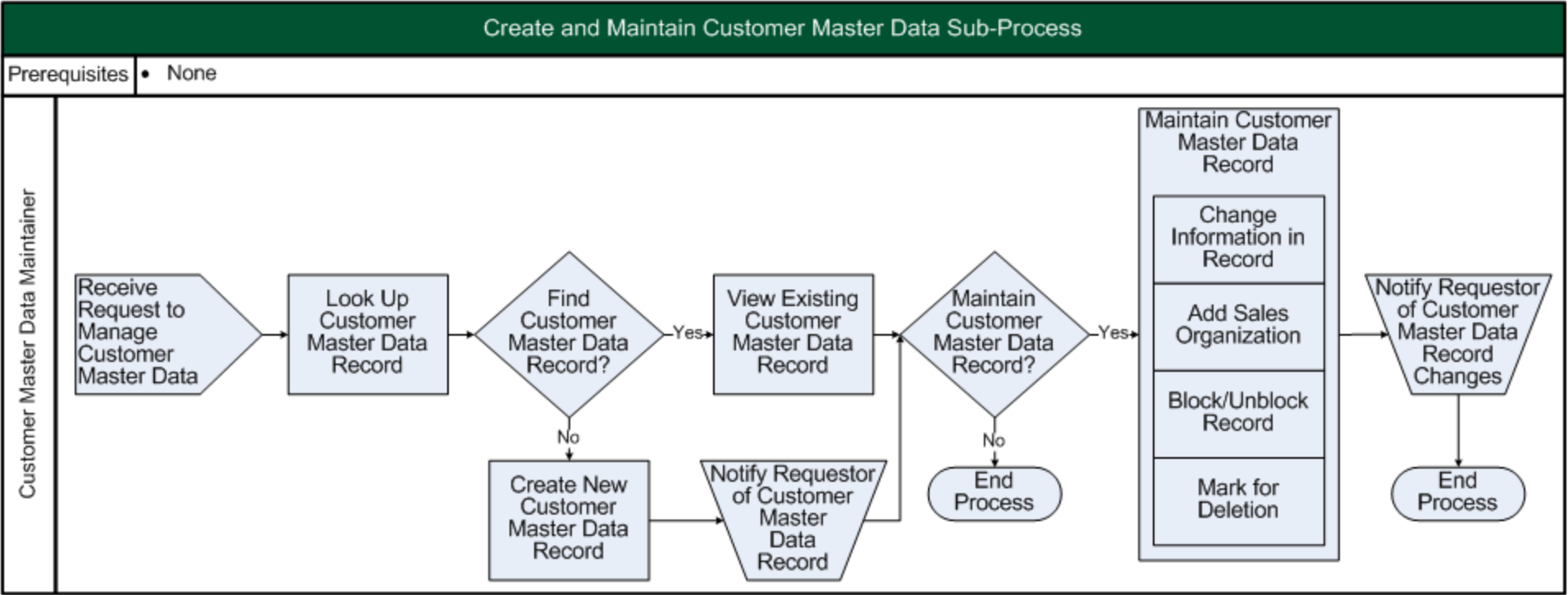
Key Business Concepts

The following business concepts pertain to the Customer Master Data sub-process:

- Customer Master Data records in the FMMI Customer Master table contain all information required for USDA to conduct business with a customer

- Creation and maintenance of all customer master data records is centralized and occurs only at the Department level

- Customer master data records are available at the Agency and Staff Office level for transactional use and include general customer data, company code data, and sales organization data

- The FMMI Customer Master table is separate from the FMMI Vendor Master table, which contains all of the vendors who provide services or goods to USDA

Customer Master Data Composition

Each customer master data record contains four sections or views:

- **General Data View** – Name, Address, Tax ID, Contact Person fields
- **Company Code View** – Reconciliation Account, Payment Terms, Tolerance Groups, Lockbox, and Dunning fields
- **US Federal Government View** – ALC, Payment Office (for IPAC processing)
- **Sales Area View** – Sales Organization, Division, Payment Terms, Distribution Channel
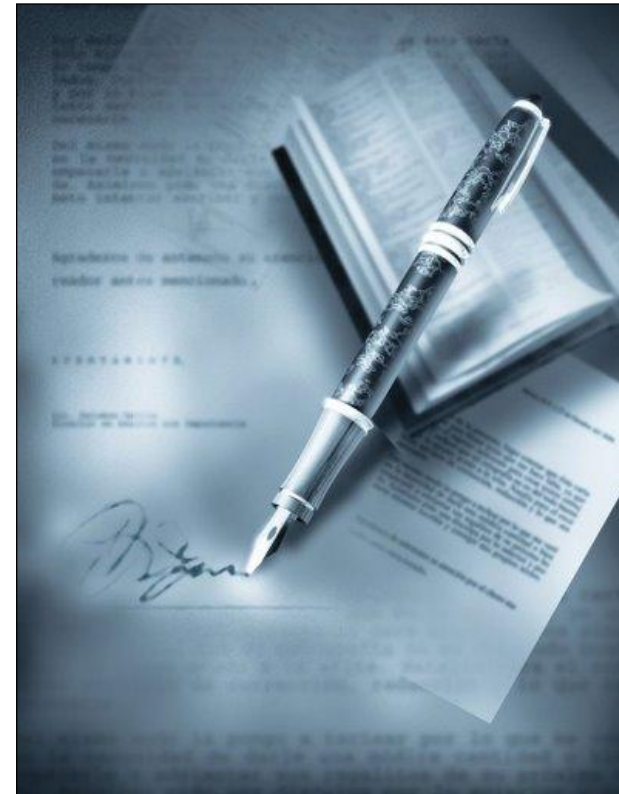
Customer Master Data Composition

Display a Customer Master Data record to view all information contained within the record.

- Both Department level and Agency level users with one of the following roles have the ability to display a customer master data record:
  - Customer Master Data Maintainer (Department level only)
  - Accounts Receivable Evaluator (Department and Agency level)
- Records appear as non-editable within the display function

Maintain Customer Master Data Record Information

Maintain the information within an existing customer master data record with the following process:

- An Agency level user sends a request to the Customer Master Data Maintainer to update an existing customer master data record
- The Customer Master Data Maintainer locates the customer master data record and performs the required updates
  - Update information within one or more of the record views
    - Certain fields are non-editable and will be discussed in the 400 level Customer and Vendor Master Data Maintenance course
  - Extend (add) a sales organization
  - Block or unblock a record at the sales organization or company code level
  - Mark a record for deletion
- After the record is updated, the Customer Master Data Maintainer notifies the agency user of the update

Touchpoints

The following table outlines the key touchpoints between the Customer Master Data sub-process and other business areas within FMMI.

Process Area	Touchpoint
Accounts Receivable – Sales Orders and Billing, AR Invoices, Credit Memos, Debt Management and Referrals	▪ All Accounts Receivable roles use Customer Master Data to complete Accounts Receivable transactions

Learning Checkpoint Question and Answer (Q&A)

- The questions on the following pages will test your understanding of key concepts in this module

- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing

- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts

- At any time you can review information from this module by clicking Menu and selecting a page from the Menu pop-up

1. **True/False:** The FMMI Customer Master table is separate from the FMMI Vendor Master table, which contains all of the vendors who provide services or goods to USDA (True)

2. **True/False:** In FMMI, the company code is the highest organizational level and will always represent the individual agency (False)

3. **Multiple Choice:** The Customer Master Data Maintainer can perform the following functions:
    a. Create Customer Master Data
    b. Update Customer Master Data
    c. Block or Unblock Customer Master Data
    d. Mark Customer Master Data for Deletion
    e. *All of the Above*

4. **Multiple Choice:** Each Customer Master Data record contains _____ section(s) or view(s).
    a. One
    b. Two
    c. Three
    d. *Four*

In this module, you learned to:

- Explain the Customer Master Data sub-process

- Explain the key Customer Master Data sub-process business concepts and terminology

- Describe the roles that manage and view Customer Master Data

- Explain the interactions between the Customer Master Data sub-process and other business areas within FMMI

Customer Master Data Sub-Process Module Completion

Congratulations! You have completed Module 2 – Customer Master Data sub-process. The next module provides an overview of the of the Sales Order and Billing sub-process.

Course Outline

- Introduction Module

- Module 1 – Accounts Receivable Process Overview

- Module 2 – Customer Master Data Sub-Process

- **Module 3 – Sales Order and Billing Sub-Process**

- Module 4 – Accounts Receivable (AR) Invoice Sub-Process

- Module 5 – Collections Sub-Process

- Module 6 – Credit Memo Sub-Process

- Module 7 – Debt Management and Referral Sub-Process

- Module 8 – Accounts Receivable Reports

- Course Summary

- Course Evaluation

Welcome to Module 3: Sales Order and Billing Sub-Process

- This module provides an overview of the Sales Order and Billing sub-process
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
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- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn

Objectives

After completing this module, you will be able to:

- Explain the sales order and billing process
- Explain the key sales order and billing business concepts and terminology
- Explain the types and composition of a sales order
- Explain the billing methods for sales orders
- Describe the inter-agency reimbursable sales order process
- Describe the sales order and billing sub-process roles
- Explain the interactions between the sales order and billing sub-process and other business areas within FMMI

Key Terminology

Review the following terms and definitions before beginning the Sales Order and Billing module:

- **Down Payment Request:** Amount of money required before USDA will provide goods or services to a customer

- **Funded Program:** A portion of a fund designated for a specific use and to which a work breakdown structure (WBS) element can be associated for the purpose of controlling the level of spending on a sales order

- **Reimbursable:** A type of receivable for the provision of goods and services by a USDA Agency to a customer, which may be a Federal or non-Federal organization, requiring a reimbursable agreement in return for payment

- **<u>Sales Order</u>:** A document posted to the General Ledger representing an agreement to provide future goods or services. After activity is incurred against the sales order, the billing process collects the costs and notifies the customer of the amount due

- **<u>Work Breakdown Structure (WBS) Element</u>:** A cost object with a one-to-one relationship with a funded program leveraged to support direct charge and cost allocation for financial, procurement, and reimbursable processes

FMMI User Roles

The FMMI Sales Order and Billing sub-process includes the following roles:

Role Name	Definition
Sales Order Processor - *Department and Agency level role*	- Create, Change, Display Sales Order
Sales Order Billing Processor - *Department and Agency level role*	- Create, Change, Display, Billing Request - Create, Change, Display, Cancel, and Print Billing Document - Print Customer Account Statement - Run List of Billing Requests - Run Billing Due List - Create Batch Billing - Run Background Processing - Create, Change, Display Condition Records

FMMI User Roles Continued

Role Name	Definition
Sales Order Reporter - *Department and Agency level role*	▪ Execute and View Sales Order and Billing Report
Accounts Receivable Reporter - *Department and Agency level role*	▪ Execute and View Sales Order and Billing Report
Accounts Receivable Evaluator - *Department and Agency level role*	▪ Display Sales Order ▪ Display Billing Document

This process flow outlines the key activities related to the Create Sales Order sub-process:

Create Sales Order Sub-Process

Prerequisites
- Customer Master Data Record
- WBS Element
- Cost Center
- Funded Program

Sales Order Processor

Receive Request to Create Sales Order → Advance Payment Required?
- Yes → Create Sales Order with Advance → Create Down Payment Request
- No → Create Sales Order Without Advance

Activities Outside AR

Post and Clear Down Payment → Spending Occurs Against the Sale Order → To Billing Process
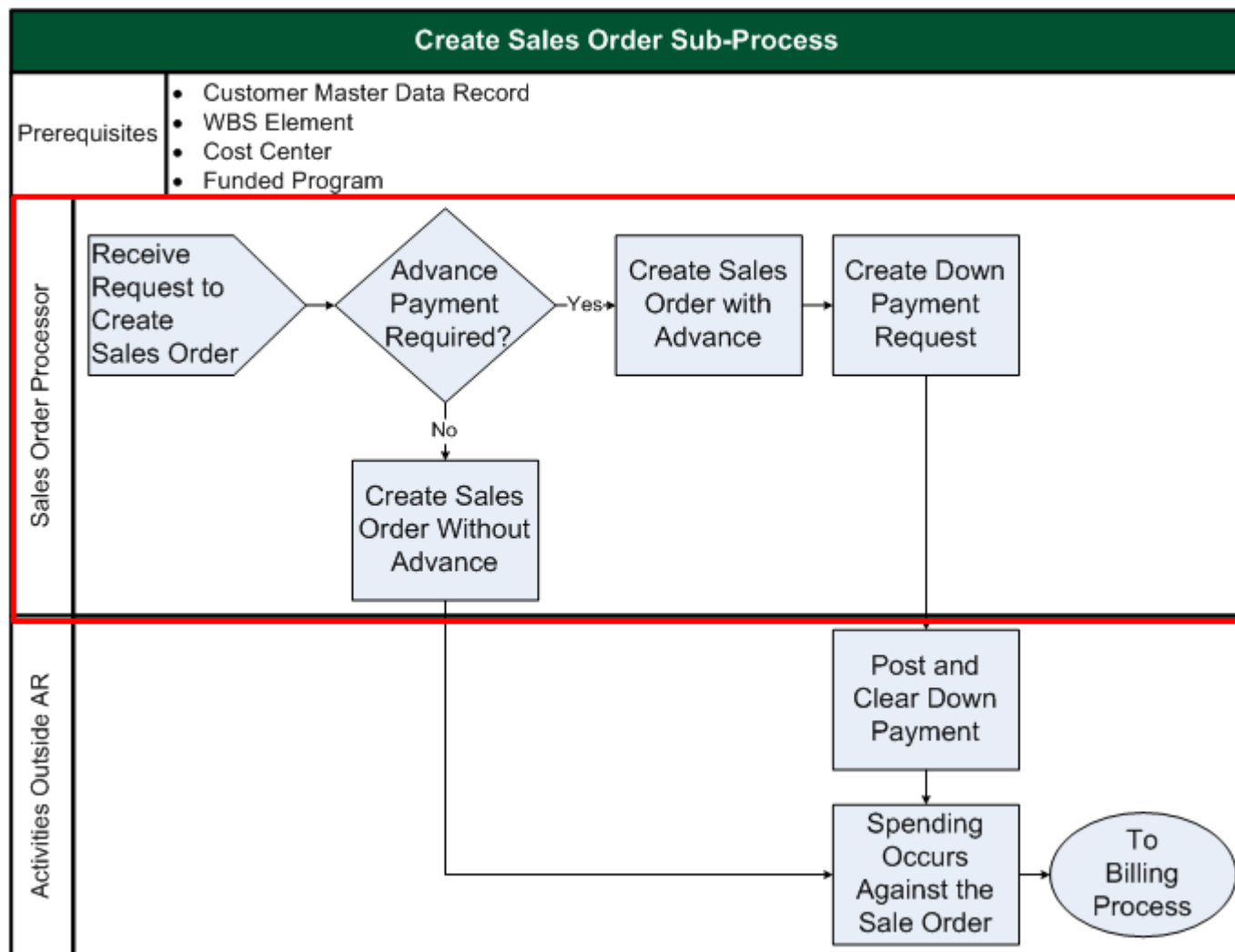
This process flow outlines the key activities related to the Run Sales Order Billing sub-process:
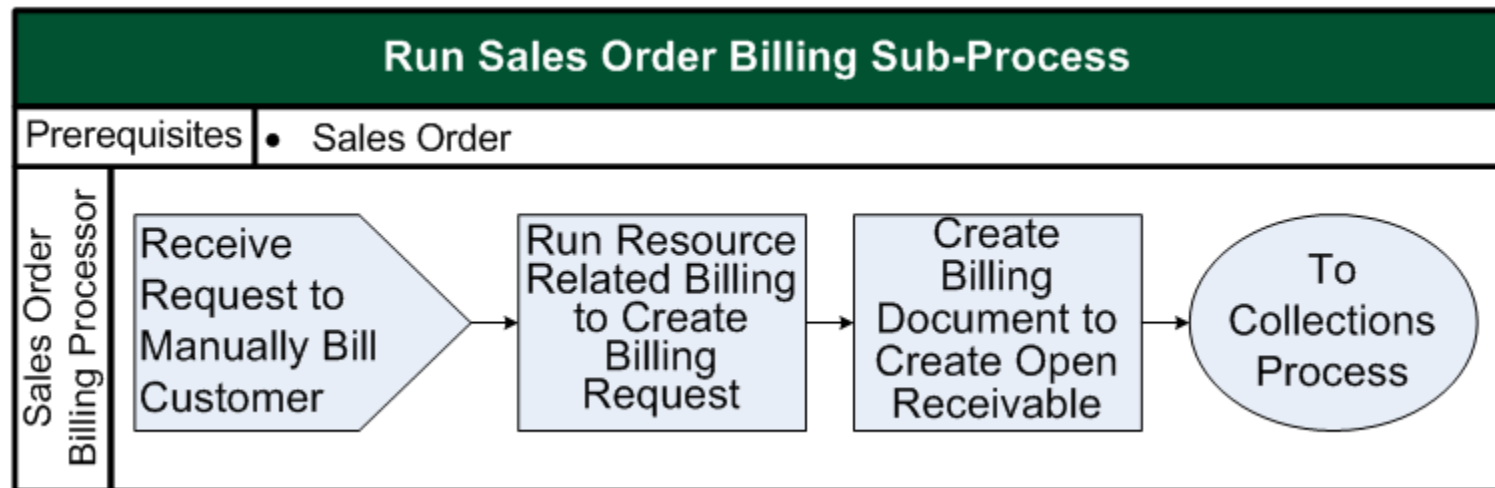
Key Business Concepts

The following business concepts pertain to the Sales Order sub-process:

- A sales order represents a customer order for goods or services provided by USDA and tracks agreement based activities
- The work breakdown structure (WBS) element links a sales order with its corresponding funded program in a one-to-one relationship
- The billing process collects costs incurred against a sales order and notifies the customer of money due
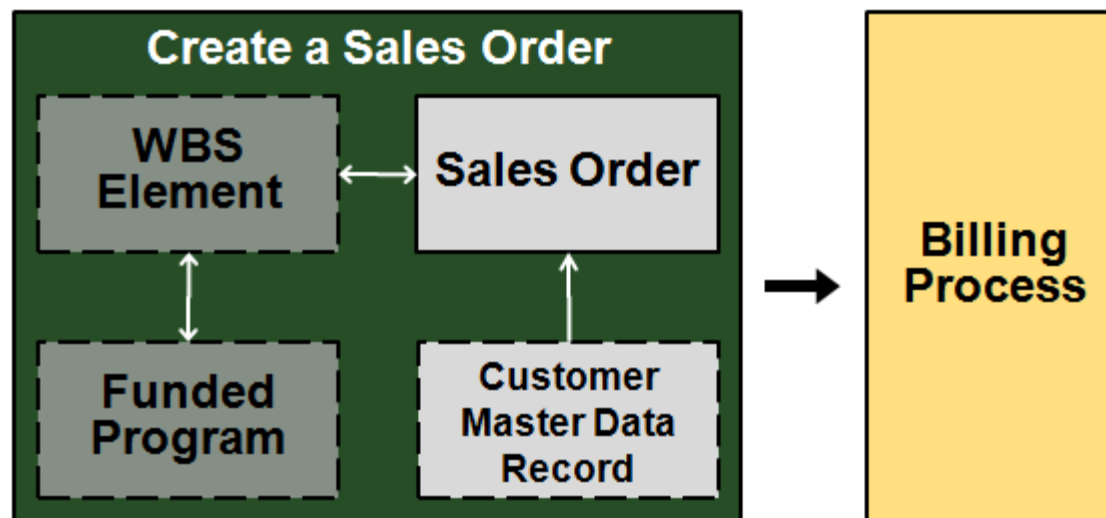
The WBS element provides the link between the sales order, the cost center, and the funded program.

- The Agency Cost Management Master Data Maintainer creates and maintains WBS elements in the Cost Management area of FMMI

- Each WBS element links the cost and funding information to the sales order

  - Each WBS element links to one cost center

  - Each WBS element links to one funded program

  - The cost center provides the link to the funds center which receives budget from the fund

A sales order represents an agreement for goods or services provided by a USDA Agency to a customer over a period of time.

- Each sales order includes a sold-to-party, customer information, amount of authority provided, and funding details
- Reference one agency per sales order
- Sales orders require a funded program and WBS element to exist before posting to the general ledger
- Once a sales order citing a WBS element and funded program exists, cost accumulation against the sales order can begin

Sales Order Composition

Sales Order

Header
Sales Order Type
Sales Organization
Distribution Channel
Division
Purchase Order Number
Customer Number

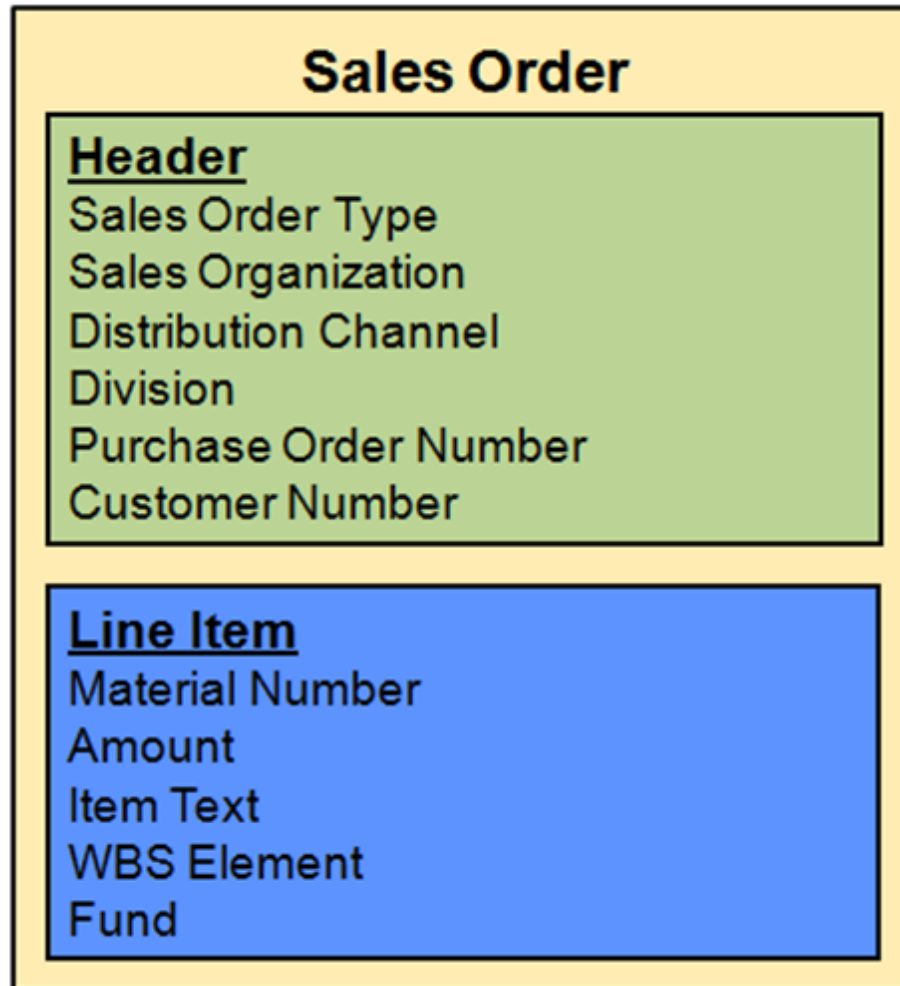**Line Item**
Material Number
Amount
Item Text
WBS Element
Fund

A sales order represents an agreement for goods or services provided by a USDA Agency to a customer over a period of time.

- Create a sales order with an advance when a down payment is required before providing goods or services.

- Commercial customers are usually required to provide an advance before USDA executes against a sales order

- Types of sales order requiring an advance in FMMI:

  - ROWA – Reimbursable Order with Advance

  - TOWA – Trust Fund Order with Advance

  - FOWA – Federal Reimbursable Order with Advance
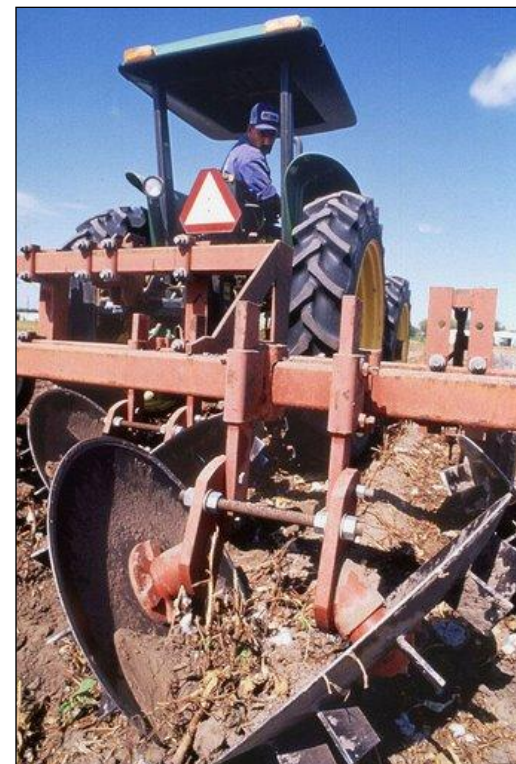
Sales Order without an Advance

Create a sales order without an advance when a down payment is not required before providing goods or services.

- For sales orders without an advance, the sales order is recorded in FMMI by the Sales Order Processor and USDA begins incurring costs against the sale order immediately

- Types of sales orders not requiring an advance:
  - RONA – Reimbursable Order No Advance
  - ROWE – Reimbursable Order with Exception
  - NFNA – Non-Federal No Advance
  - UFAN – User Fees – Anticipated
  - UFEE – User Fees
  - INTR – Inter-USDA Agency Agreement

Edit an existing sales order in FMMI to correct any errors or make adjustments.

- First, the Sales Order Processor determines if any subsequent documents for the sales order exist in FMMI
- Before running the billing process, the Sales Order Processor can update the following fields:
  - Amount
  - Billing Details
  - Text
  - Payment Terms
  - PO Number
  - Customer Number
- After running the billing process, the customer number and order line item information become non-editable

Sales Order Billing

Collect costs incurred against a sales order through the billing process.

- Sales order billing activities are performed by the Sales Order Billing Processor
- Costs associated to a sales order are billed through resource related billing
- Bills for non-Federal customers are printed and can be mailed to each customer
- Federal customers are billed through the Intra-Governmental Payment and Collection (IPAC) system
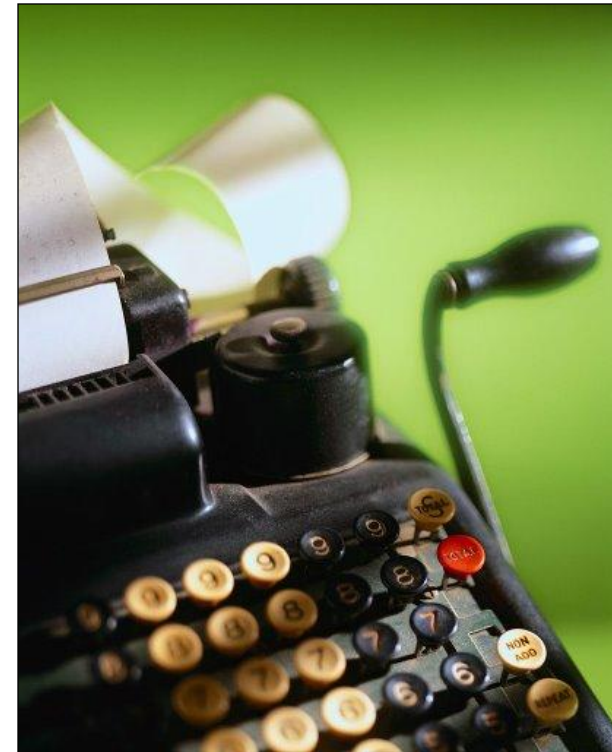
Billing Creation

Billing customers in FMMI is a two step process.

- Create a billing request to collect costs incurred against a sales order and place a billing block against the request

- To run the request, release the billing block and generate the billing due list
    - Resource related billing runs on a batch process schedule, but the Billing Processor can run the process manually

The following table outlines the key touchpoints between the Sales Order and Billing sub-process and other business areas within FMMI.

Process Area	Touchpoint
Cost Management	▪ A billing WBS element and a reimbursable project are needed when the Sale Order Processor creates a sales order ▪ Statistical key figure master data is needed to reflect service hours for user fee sales orders ▪ A reimbursable project and WBS element are needed When the Accounts Receivable Processor creates a accounts receivable invoice

Touchpoints Continued

Process Area	Touchpoint
Funds Management	▪ Reimbursable funds must be distributed and available for spending before the Accounts Receivable sales order process can be executed ▪ The Funds Management Master Data Maintainer creates and maintains the funded programs necessary for the Accounts Receivable Sales Order Processor to perform reimbursable work in the sales order and billing process ▪ When a Funded Program is created or maintained automatically, the Funds Management Master Data Maintainer enters the Derivation Rules
Purchasing	▪ The Purchase Order Processor and Purchase Order Approver are responsible for creating the purchase orders required for invoicing for inter-agency agreements

Learning Checkpoint Question and Answer (Q&A)

- The questions on the following pages will test your understanding of key concepts in this module

- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing

- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts

- At any time you can review information from this module by clicking Menu and selecting a page from the Menu pop-up

1. **True/False:** A Sales Order represents an agreement between USDA and a customer for goods or services to be provided (True)

2. **True/False:** Issue a Down Payment Request after creating the Sales Order (False)

3. **True/False:** The work breakdown structure (WBS) element links a sales order with its corresponding funded program in a one-to-one relationship (True)

4. **True/False:** Federal customers are billed through the Intra-Governmental Payment and Collection (IPAC) system (True)

5. **Multiple Choice:** Which of the following sales orders does not require an advance:

   a. ROWA

   b. TOWA

   c. *INTR*

   d. FOWA

Module Summary

In this module, you learned to:

- Explain the sales order and billing process
- Explain the key sales order and billing business concepts and terminology
- Explain the types and composition of a sales order
- Explain the billing methods for sales orders
- Describe the inter-agency reimbursable sales order process
- Describe the sales order and billing sub-process roles
- Explain the interactions between the sales order and billing sub-process and other business areas within FMMI

Sales Order and Billing Sub-Process Module Completion

Congratulations! You have completed Module 3 – Sales Order and Billing sub-process. The next module provides an overview of the of the Accounts Receivable (AR) Invoice sub-process.

Course Outline

- Introduction Module

- Module 1 – Accounts Receivable Process Overview

- Module 2 – Customer Master Data Sub-Process

- Module 3 – Sales Order and Billing Sub-Process

- **Module 4 – Accounts Receivable (AR) Invoice Sub-Process**

- Module 5 – Collections Sub-Process

- Module 6 – Credit Memo Sub-Process

- Module 7 – Debt Management and Referral Sub-Process

- Module 8 – Accounts Receivable Reports

- Course Summary

- Course Evaluation

Welcome to Module 4: Sales Order and Billing Sub-Process

- This module provides an overview of the Accounts Receivable (AR) Invoice sub-process
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn
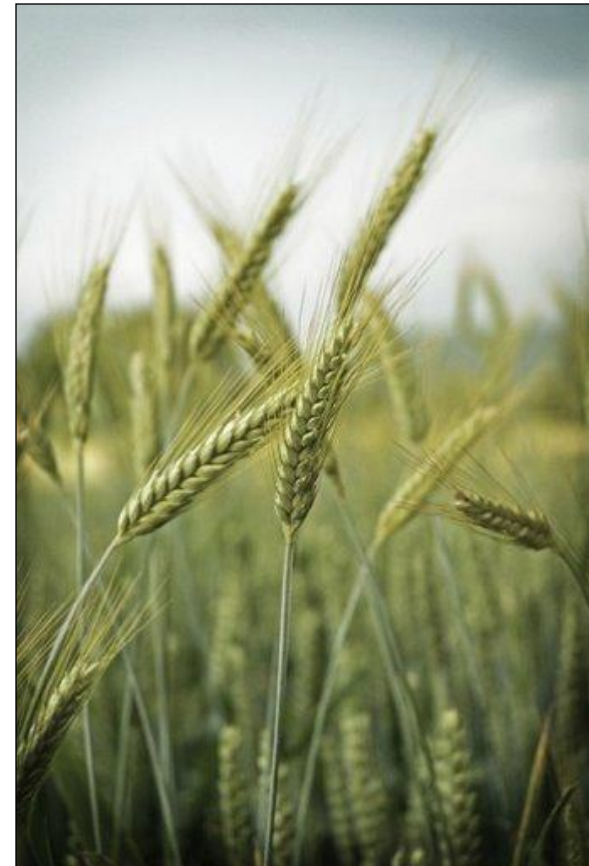
Objectives

After completing this module, you will be able to:

- Explain the Accounts Receivable (AR) invoice sub-process

- Explain key AR invoice terminology and business concepts

- Describe the FMMI roles associated with the AR Invoice sub-process

- Explain the interactions between the AR Invoice sub-process and other business areas within FMMI

Review the following terms and definitions before beginning the Accounts Receivable Invoice Process module:

- **Accounts Receivable (AR) Invoices:** Documents the costs related to a direct exchange of goods or services provided by a USDA agency to a customer, not tied to a reimbursable or a trust fund agreement
- **Park:** The intermediate process of saving a document until it is approved and posted to the General Ledger
- **Payment Terms:** The allowable length of time for a customer to pay the AR Invoice

The FMMI Accounts Receivable Invoice sub-process includes the following roles:

Role Name	Definition
Accounts Receivable Processor - *Department Level and Agency Level role*	- Create AR Invoice - Create Credit Memo – AR Invoice - Change and Display AR Document - Display Parked Documents - Print Customer Account Statement - Assignment of Open Items - Edit Assignment of Open Items
Accounts Receivable Approver - *Department and Agency level role*	- Approve and Post AR documents - Create and Change AR Reversal Documents

FMMI User Roles Continued

Role Name	Definition
Accounts Receivable Evaluator - *Department and agency level role*	▪ Display AR Document

Business Process Flow

This process flow outlines the key activities related to Accounts Receivable (AR) Invoice sub-process:
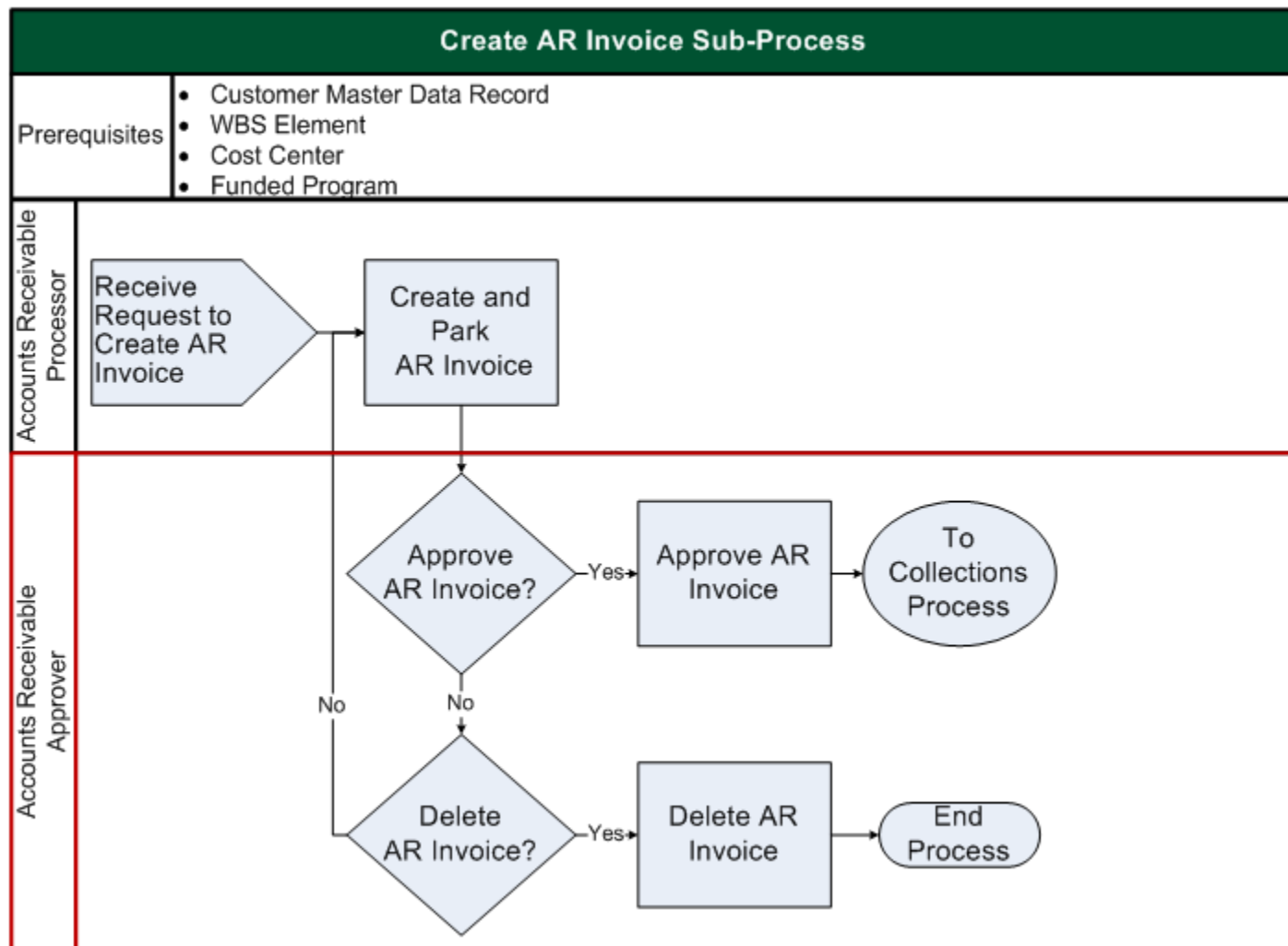
Create AR Invoice Sub-Process

Prerequisites
- Customer Master Data Record
- WBS Element
- Cost Center
- Funded Program

Accounts Receivable Processor:
Receive Request to Create AR Invoice → Create and Park AR Invoice

Accounts Receivable Approver:
Approve AR Invoice? — Yes → Approve AR Invoice → To Collections Process
Delete AR Invoice? — Yes → Delete AR Invoice → End Process

Key Business Concepts

The following business concepts pertain to the Accounts Receivable (AR) Invoice sub-process:

- An AR invoice documents the direct exchange of goods or services provided by a USDA agency to a customer and is classified as a direct receivable
- AR invoices are manually entered in the FMMI General Ledger by the Accounts Receivable Processor must be approved by the Accounts Receivable Approver to post to the General Ledger
- Create and maintain an AR invoice in the AR Process sub-process area of Accounts Receivable business area in the FMMI Portal
- An AR invoice reversal document reverses an AR Invoice posted in error in FMMI

What is an AR Invoice?

An AR invoice represents a direct accounts receivable.

- An AR invoice differs from a sales order because it represents a one time exchange goods or services and not pre-arranged agreement for exchange across a period of time
- The receivable amount is due in full by the date specified in the payment terms

Create, Change and Reverse an AR Invoice

- The Accounts Receivable Processor can manually create an AR Invoice
  - An AR invoice links to a single customer master data record and contains the invoice line item(s), total amount due, and due date
  - The AR Processor creates an AR invoice which generates an accounts receivable document against the specified customer
- The Accounts Receivable Processor can change an AR invoice to correct any errors before posting to the General Ledger or reverse an AR invoice after posting
  - Only the header text of a posted AR invoice can be changed or updated
  - Dates, amounts, and account assignments cannot be changed
  - After updating an AR invoice, a new customer bill should be printed based on the revised AR invoice
- To reverse an AR invoice, the Accounts Receivable Approver can post a clearing entry to the General Ledger with an AR invoice reversal document

Touchpoints

Process Area	Touchpoint
Accounts Receivable – Collections, Credit Memos, and Debt Management and Referrals	• After collecting payment for the AR invoice the Accounts Receivable Processor will post the payment and clear the receivable in the General Ledger • If too much money is collected, the Accounts Receivable Processor and Accounts Receivable Approver can also create a credit memo to refund the amount • When customer debt becomes past due, the Debt Management Processor performs actions to encourage repayment. In cases of uncollectible debt, the Debt Write-Off processor writes of the debt
General Ledger	• The creation and reversal of AR Invoices impacts the General Ledger

Learning Checkpoint Question and Answer (Q&A)

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1. **True/False:** The Accounts Receivable Evaluator can update an AR invoice (False)

2. **True/False:** An AR invoice differs from a sales order because it represents a one time exchange of goods or services and not pre-arranged agreement for exchange across a period of time (True)

3. **True/False:** An AR invoice links to a single customer master data record and contains the invoice line item(s), total amount due, and due date (True)

4. **True/False:** An credit memo is used to reverse an AR Invoice posted in error in FMMI (False)

5. **True/False:** The AR Processor role can post AR Invoices (False)
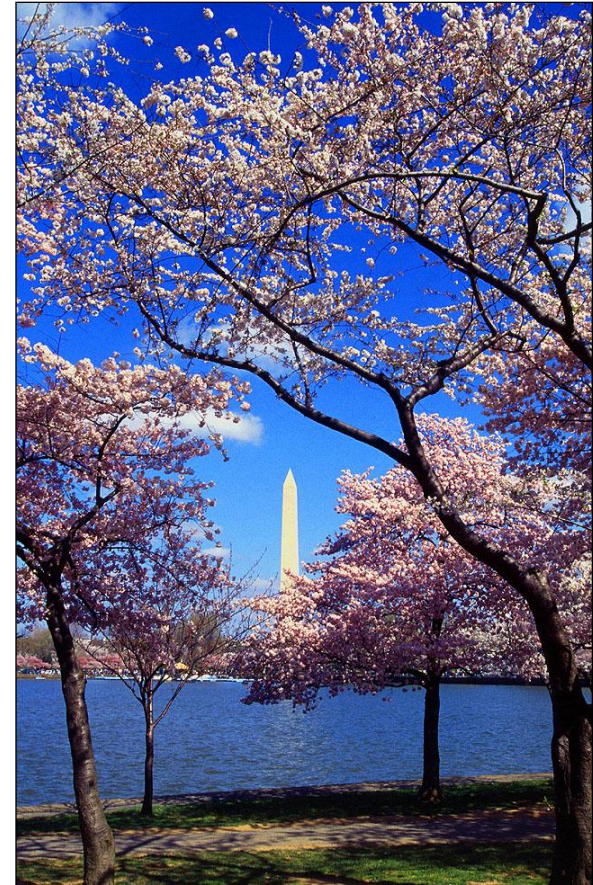
In this module, you learned to:

- Explain high-level Accounts Receivable process

- Explain the key Accounts Receivable terminology and business concepts

- Describe purpose and use of FMMI user roles in the Accounts Receivable process

- Explain the interactions between the Accounts Receivable process and other business areas within FMMI

Congratulations! You have completed Module 4 – Accounts Receivable (AR) Invoice sub-process. The next module provides an overview of the of the Collections sub-process.

Course Outline

- Introduction Module

- Module 1 – Accounts Receivable Process Overview

- Module 2 – Customer Master Data Sub-Process

- Module 3 – Sales Order and Billing Sub-Process

- Module 4 – Accounts Receivable (AR) Invoice Sub-Process

- **Module 5 – Collections Sub-Process**

- Module 6 – Credit Memo Sub-Process

- Module 7 – Debt Management and Referral Sub-Process

- Module 8 – Accounts Receivable Reports

- Course Summary

- Course Evaluation

Welcome to Module 5: Collections Sub-Process

- This module provides an overview of the Collections sub-process
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
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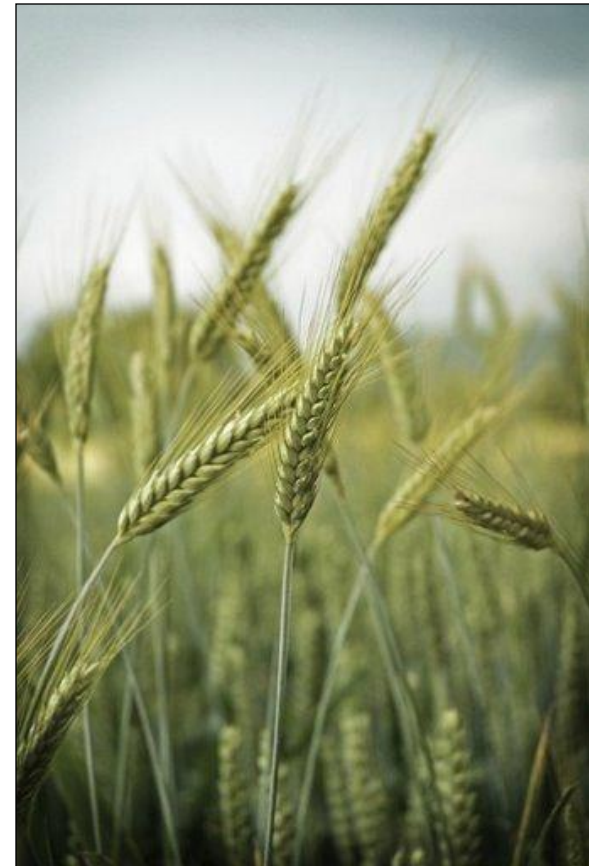
Objectives

After completing this module, you will be able to:

- Explain the Collections sub-process
- Explain key collections terminology and business concepts
- Describe the FMMI roles associated with the Collections sub-process
- Describe the Collection methods available in FMMI
- Explain the interactions between the Collections sub-process and other business areas within FMMI

Review the following terms and definitions before beginning the Collections sub-process module:

- **Collections:** The process of collecting a payment from a customer and clearing the receivable in FMMI
- **Clearing:** The process of balancing a receivable with a payment in the General Ledger. Clearing can occur automatically or manually
- **Intra-Governmental Payment and Collection System (IPAC):** A payment method allowing the transfer of funds between government agencies
- **Lockbox:** An intermediate method for collections deposited at a bank before the money is transferred to FMMI
- **Manual Collections:** Payments provided directly to USDA in the form of a check or cash. These payments are mailed to the lockbox for deposit at the bank

The FMMI Collections sub-process includes the following roles:

Role Name	Definition
Cash Collection Processor - *Agency* and *Department level* *role*	▪ Post Incoming Customer Payments ▪ Post a Down Payment from Customer ▪ Manually Clear a Payment ▪ Post Outgoing Customer Payments ▪ Post Outgoing Vendor Payments ▪ Clear a General Ledger Account for Partial Offsets
Lockbox Evaluator - *Agency* and *Department level* *role*	▪ Process Lockbox Documents
Lockbox Processor - *Agency* and *Department level* *role*	▪ Process Lockbox Documents ▪ Lockbox Report

Business Process Flow

This process flow outlines the key Collections sub-process activities:

Run and Manage Collections Sub-Process

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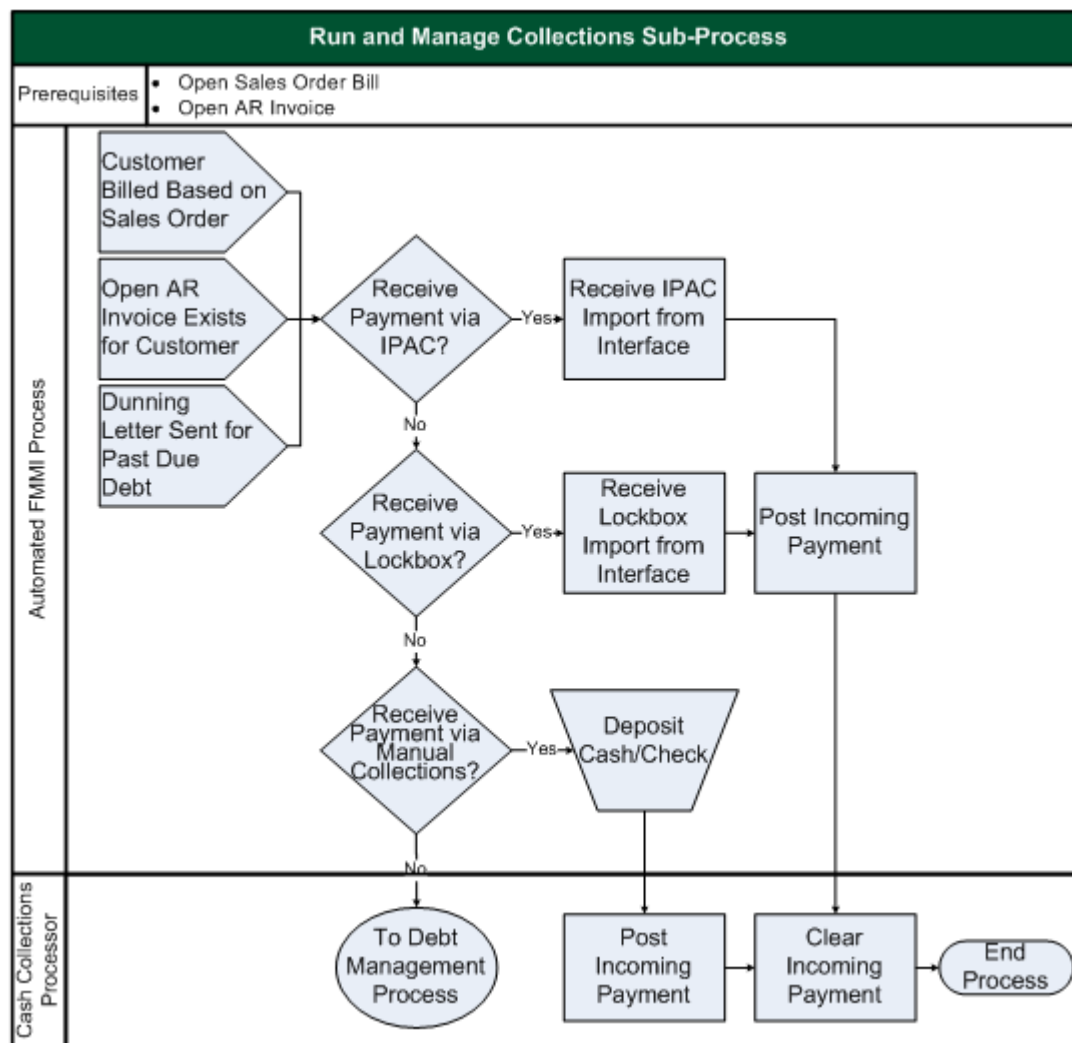
The following business concepts pertain to the Collections sub-process:

- – Customers pay USDA for outstanding receivables through the Collections process
- – After a payment is collected, it is posted to the appropriate General Ledger (GL) account and the receivable is cleared
- – In the event an incorrect amount is posted to the General Ledger, correct the error by reversing the posted payment
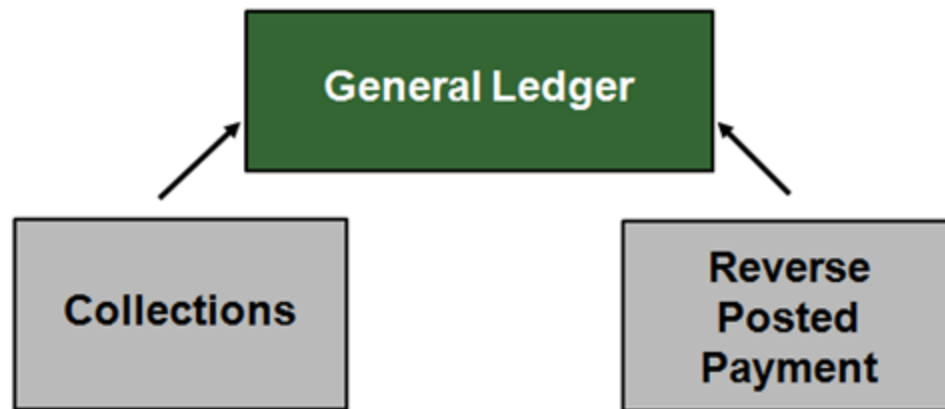
Initiate Collection

Releasing a sales order or AR invoice for billing initiates the Collections process.

- The Collections process begins when a customer provides payment to USDA for an outstanding receivable

- USDA collects payment from customers in FMMI through:
  - Inter-governmental Payment and Collection System (IPAC)
  - Lockbox
  - Manual entry of collections

- The Cash Collections Processor posts incoming payments and clears the corresponding receivables

- FMMI generates a collections document for receipt of payment showing the date and amount of money received by USDA from a customer as well as the Treasury confirmation number of that collection

Lockbox and Manual Collections

The FMMI lockbox is an intermediate method for collecting payments.

- The lockbox is maintained by the bank and directly interfaces with FMMI
- A nightly batch process transfers payments collected in the lockbox to FMMI
- Cash or checks provided directly to USDA are sent to the lockbox for processing at the bank

IPAC Collections

The Inter-Governmental Payment and Collection System (IPAC) transfers money between Government Agencies to pay outstanding receivables.

- IPAC is maintained by the US Treasury and directly interfaces with FMMI

- A unique Agency Location Code (ALC) identifies each Agency within the IPAC system

- In FMMI, the ALC is a required element of the customer master data record for Federal customers

Post Incoming Payments and Clear Balances

Post incoming payments to the General Ledger and clear the accounts receivable items to settle customer debts.

- Incoming payments are typically posted to the General Ledger through a batch process

- The Accounts Receivable Processor can manually post payments to the General Ledger

- Clearing occurs automatically for payment received through IPAC or the Lockbox

- Cash collected outside of Lockbox or IPAC can be posted and cleared manually

The following table outlines the key touchpoints between the AR Invoice sub-process and other business areas within FMMI.

Process Area	Touchpoint
Accounts Receivable – Collections, Credit Memos, and Debt Management and Referrals	- After collecting payment for the AR invoice the Accounts Receivable Processor will post the payment and clear the receivable in the General Ledger - If too much money is collected, the Accounts Receivable Processor and Accounts Receivable Approver can also create a credit memo to refund the amount - When customer debt becomes past due, the Debt Management Processor performs actions to encourage repayment. In cases of uncollectible debt, the Debt Write-Off processor writes of the debt
General Ledger	- The creation and reversal of AR Invoices impacts the General Ledger

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1. **True/False:** In the event an incorrect amount is posted to the General Ledger, correct the error by reversing the posted payment. (True)

2. **True/False:** The Sales Order Processor posts incoming payments and clears the corresponding receivables. (False)

3. **Multiple Choice:** Which FMMI role posts incoming payments and clears the corresponding receivables:
    a. Debt Management Processor
    b. Accounts Receivable Processor
    c. *Cash Collections Processor*
    d. Accounts Receivable Approver

4. **Multiple Choice:** Select the required element of the customer master data record for Federal customers using the IPAC system:

   a. AFC

   b. ILC

   c. *ALC*

   d. AAA

Module Summary

In this module, you learned to:

- Explain the Collections sub-process
- Explain key collections terminology and business concepts
- Describe the FMMI roles associated with the Collections sub-process
- Describe the Collection methods available in FMMI
- Explain the interactions between the Collections sub-process and other business areas within FMMI

Collections Sub-Process Module Completion

Congratulations! You have completed Module 5 – Collections sub-process. The next module provides an overview of the of the Credit Memo sub-process.

Course Outline

- Introduction Module

- Module 1 – Accounts Receivable Process Overview

- Module 2 – Customer Master Data Sub-Process

- Module 3 – Sales Order and Billing Sub-Process

- Module 4 – Accounts Receivable (AR) Invoice Sub-Process

- Module 5 – Collections Sub-Process

- **Module 6 – Credit Memo Sub-Process**

- Module 7 – Debt Management and Referral Sub-Process

- Module 8 – Accounts Receivable Reports

- Course Summary

- Course Evaluation

Welcome to Module 6: Credit Memo Sub-Process

- This module provides an overview of the Credit Memo sub-process
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn

Objectives

After completing this module, you will be able to:

- Explain the Credit Memo sub-process
- Explain key credit memo terminology and business concepts
- Describe the FMMI roles associated with the Credit Memo sub-process
- Explain the interactions between the Credit Memo sub-process and other business areas within FMMI

Review the following terms and definitions before beginning the Credit Memo sub-process module:

- **Credit Memo for AR Invoice:** A receivable adjustment posting that reduces the balance of an AR Invoice

- **Credit Memo Sales Order:** A receivable adjustment posting that reduces the balance of a sales order

Transforming Financials
at the People's Department

The FMMI Credit Memo sub-process includes the following roles:

Role Name	Definition
Accounts Receivable Processor - *Agency* and *Department level role*	▪ Create a Credit Memo - AR Invoice
Accounts Receivable Approver - *Agency and Department level role*	▪ Approve and Post Credit Memo – AR Invoice
Sales Order Processor - *Agency and Department level role*	▪ Create a Credit Memo Request
Sales Order Billing Processor - *Agency and Department level role*	▪ Create Billing Request – Credit Memo ▪ Create Billing Document – Credit Memo

FMMI User Roles Continued

Role Name	Definition
Accounts Receivable Evaluator - *Agency and Department level role*	• Display Credit Memo Transaction
Accounts Receivable Reporter - *Agency and Department level role*	• View Accounts Receivable Reports

This process flow outlines the key activities related to Credit Memo sub-process:

Create Credit Memo for a Sales Order Bill

Prerequisites
- Sales Order Billing Document

Sales Order Processor: Discovery of Overpayment → Create Credit Memo Request

Sales Order Billing Processor: Run Resource Related Billing → Create Billing Request → Generate a Billing Document for the Credit Memo → Inform Customer of Credit → End Process

This process flow outlines the key activities related to Credit Memo sub-process:

Create Credit Memo for an AR Invoice

Prerequisites • Posted AR Invoice

Accounts Receivable Processor:
Discovery of Overpayment → Create and Park Credit Memo Document

Accounts Receivable Approver:
Approve Credit Memo? — No / Yes → Approve and Post Credit Memo → Inform Customer of Credit → End Process
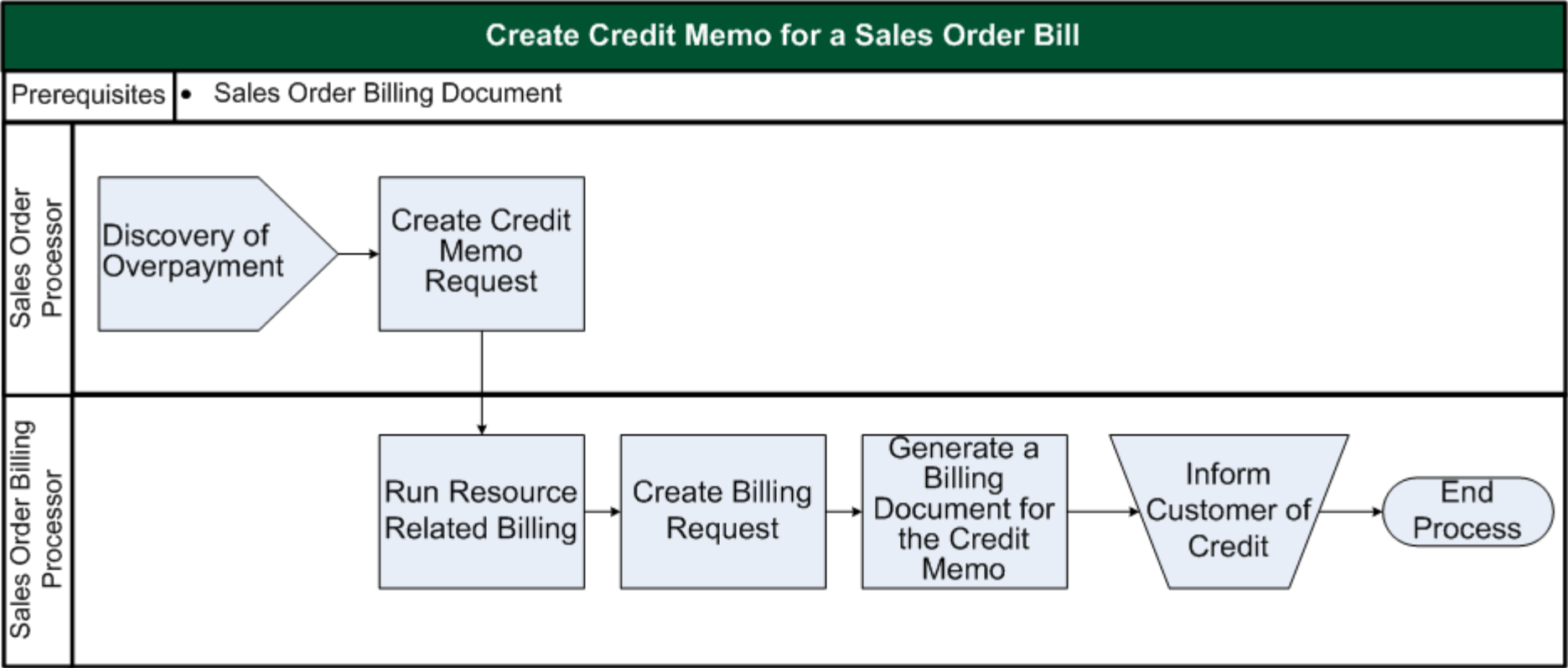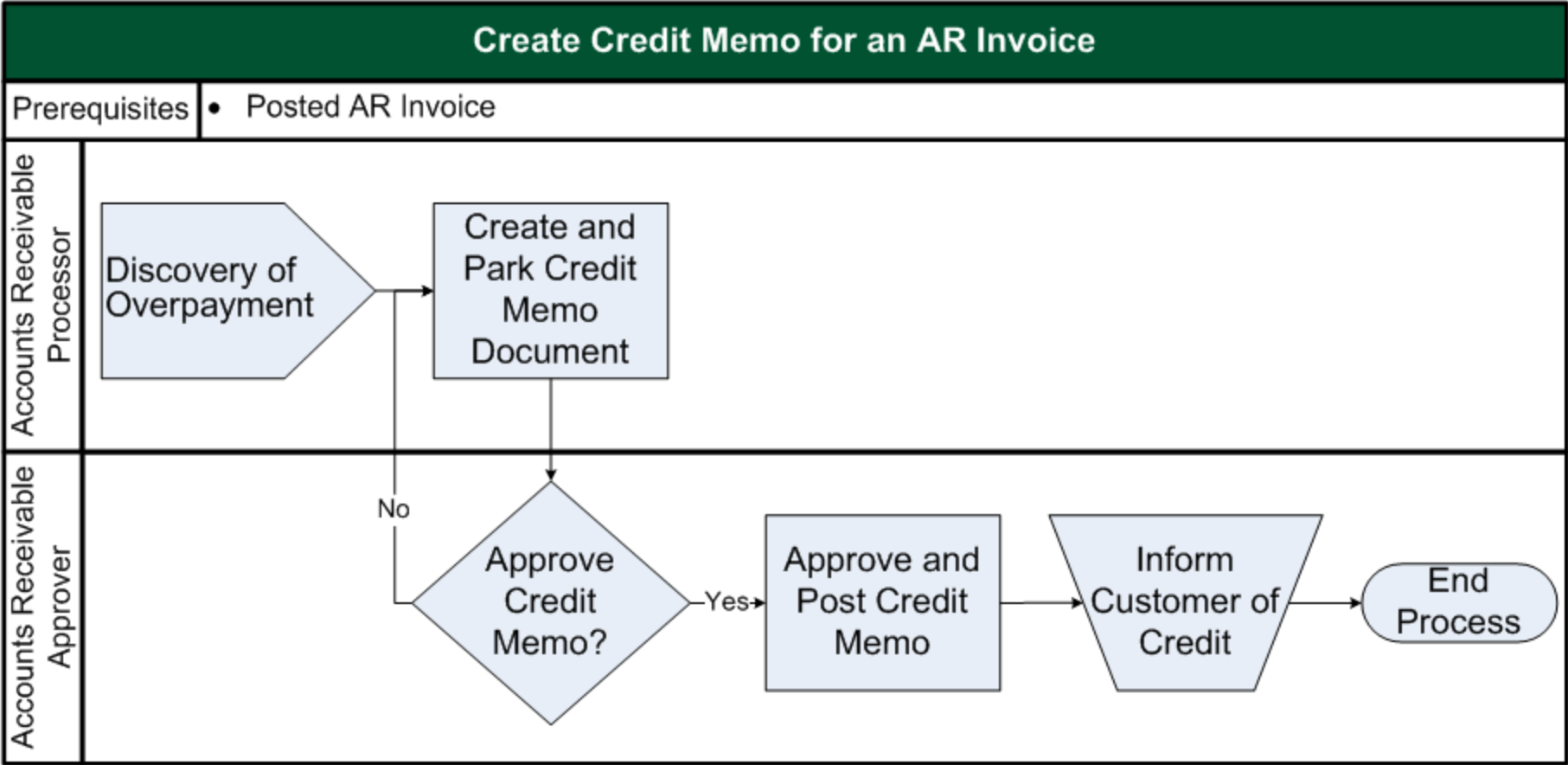
Key Business Concepts

The following business concepts pertain to the Credit Memo sub-process:

- Issue a credit memo when the amount billed/collected is greater than the actual costs of goods or services provided to a customer
- Issue a credit memo when a return of goods is required

Create a Credit Memo

Create a credit memo when the amount collected from a customer exceeds the actual amount due because the price calculated for the customer was too high, the wrong price was entered, or a discount was forgotten.

- Sales Order Credit Memos:
  - To reduce the amount of a receivable, the Sales Order Processor creates a credit memo request in FMMI
  - The credit memo request can reference the original billing document or a separate credit memo request
  - FMMI automatically creates the credit memo from the credit memo request and places a block on the credit memo
  - The credit memo is processed through resource related billing
- AR Invoice Credit Memos:
  - For AR Invoices the Accounts Receivable Processor creates the credit memo
  - The Accounts Receivable Approver approves or denies the credit memo and removes the block to release it and credit the amount back to the customer

Cancel or change a AR Invoice credit memo when the amount is not correct or if the credit memo is not valid.

– The Accounts Receivable Processor can change a credit memo only if the credit memo is not yet billed

– To cancel a credit memo, the Accounts Receivable Processor can create a credit memo reversal

Create a Credit Memo

The following table outlines the key touchpoints between the Credit Memo sub-process and other business areas within FMMI:

Process Area	Touchpoint
Accounts Receivable - Sales Orders and Billing, AR Invoice, Collections	• The Sales Order Processor and Sales Order Billing Processor create the agreement and bill the customer for the amount due respectively. The AR Processor creates the AR Invoice for a direct receivable. The customer could be charged too much during this process, could provide more money than the bill requested, or the goods or services could be defective. • When customer debt becomes past due, the Debt Management Processor performs actions to encourage repayment. In cases of uncollectible debt, the Debt Write-Off processor writes of the debt.
General Ledger	• The creation of credit memos impacts the General Ledger

Touchpoints

- The questions on the following pages will test your understanding of key concepts in this module
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1. **True/False:** The same type of Credit Memo is created for both Sales Orders and AR Invoices (False)

2. **True/False:** A credit memo reversal document cancels a credit memo posted to the General Ledger (True)

3. **True/False:** The Accounts Receivable Processor can change a credit memo only if the credit memo is not yet billed (True)

4. **Multiple Choice:** Before issuing a Credit Memo for a Sales Order, the following must be created in FMMI:
   a. Refund Request
   b. Credit Memo Document
   c. *Credit Memo Request*
   d. Credit Memo Receipt

5. **Multiple Choice:** Create a credit memo when the amount collected from a customer exceeds the actual amount due because:

   a. The price calculated for the customer was too high

   b. The wrong price was entered

   c. A discount was forgotten

   d. All of the Above

In this module, you learned to:

- Explain the Credit Memo sub-process
- Explain key credit memo terminology and business concepts
- Describe the FMMI roles associated with the Credit Memo sub-process
- Explain the interactions between the Credit Memo sub-process and other business areas within FMMI

Congratulations! You have completed Module 6 – Credit Memo sub-process. The next module provides an overview of the of the Debt Management and Referral sub-process.

Course Outline

- Introduction Module

- Module 1 – Accounts Receivable Process Overview

- Module 2 – Customer Master Data Sub-Process

- Module 3 – Sales Order and Billing Sub-Process

- Module 4 – Accounts Receivable (AR) Invoice Sub-Process

- Module 5 – Collections Sub-Process

- Module 6 – Credit Memo Sub-Process

- **Module 7 – Debt Management and Referral Sub-Process**

- Module 8 – Accounts Receivable Reports

- Course Summary

- Course Evaluation

- This module provides an overview of the Credit Memo sub-process

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Objectives

After completing this module, you will be able to:

- Explain the Debt Management and Referral business sub-process

- Explain key debt management and referral terminology and business concepts

- Describe the FMMI roles associated to the Debt Management and Referral sub-process

- Explain specific Debt Management activities

- Explain the interactions between the Debt Management and Referral sub-process and other business areas within FMMI
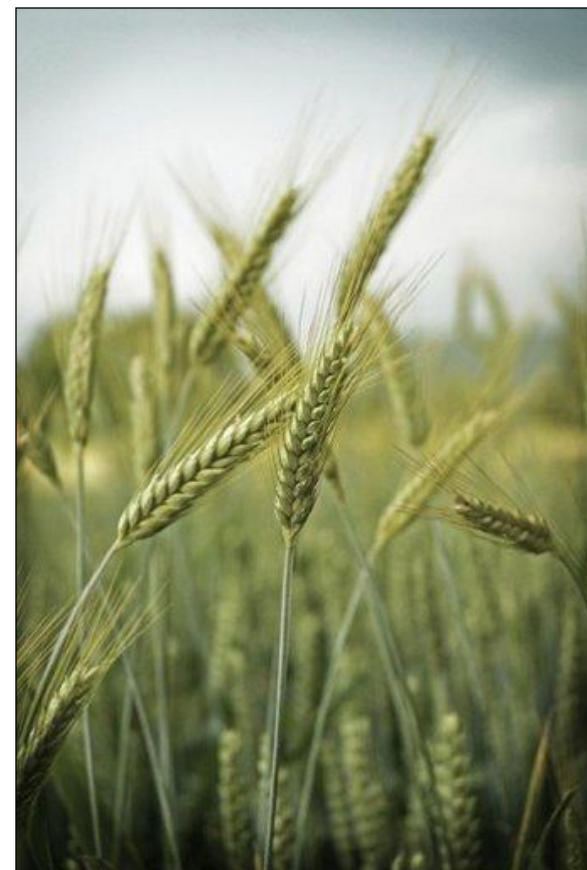
Key Terminology

Review the following terms and definitions before beginning the Debt Management module:

- **Administrative Charge:** A fee assessed at pre-defined intervals
- **Dunning:** The process of notifying customers of outstanding debts and systematically applying penalties to encourage payment
- **Fee Schedule:** A pre-defined schedule for assessing interest, fees, and penalties to overdue debt
- **Interest:** A percent of the debt due charged for certain delinquent debts
- **Write-Off:** Removal of delinquent debt that cannot be collected from the asset account in the General Ledger

The FMMI Debt Management sub-process includes the following roles:

Role Name	Definition
Debt Management Processor *- Agency and Department level role*	▪ Calculate and Post Interest, Penalty, and Administrative Fees ▪ Create Treasury Offset File ▪ Display Billing Document ▪ Generate Debt Notification Letter ▪ Submit TROR Report ▪ Update Receivable Status
Debt Write-Off Processor *- Agency and Department level role*	▪ Write-Off Bad Debt

Business Process Flow

This process flow shows the detailed activities related to the Debt Management and Referral sub-process:

Run Debt Management Sub-Process: Write-Off Debt, Refer for Collection

Prerequisites
- Past Due Bill
- Past Due Receivable

Debt Management Processor

Debt Becomes Past Due → Customer is 30 - 60 Days Past Due? —Yes→ Assess Applicable Fees, Interest, Penalties? —Yes→ Apply Fees, Interest, Penalties According to Fee Schedule → Send Customer Notification of Amount Due

Customer is 30 - 60 Days Past Due? —No→ Debt is Collectible and Past 60 Days Due? —Yes→ Apply Fees, Interest, Penalties According to Fee Schedule → Send Customer Notification of Amount Due → To Collections Process

Assess Applicable Fees, Interest, Penalties? —No→ Send Customer Notification of Amount Due

Debt is Collectible and Past 60 Days Due? —No→ Debt Eligible for Referral? —Yes→ Refer Delinquent Debt for Collection → End Process

Debt Write-Off Processor

Debt Eligible for Referral? —No→ Write-Off Receivable → End Process

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Business Process Flow

This process flow shows the detailed activities related to the Debt Management Installment Plan sub-process:

Run Debt Management Sub-Process: Create Installment Plan

Prerequisites	• Past Due Bill • Past Due Receivable

Debt Management Processor:

Customer Requests Installment Plan → Debt Qualifies for Installment Plan?

- Yes → Arrange Installment Plan Terms and Conditions → Establish Plan for Installment Agreement → To Collections Process
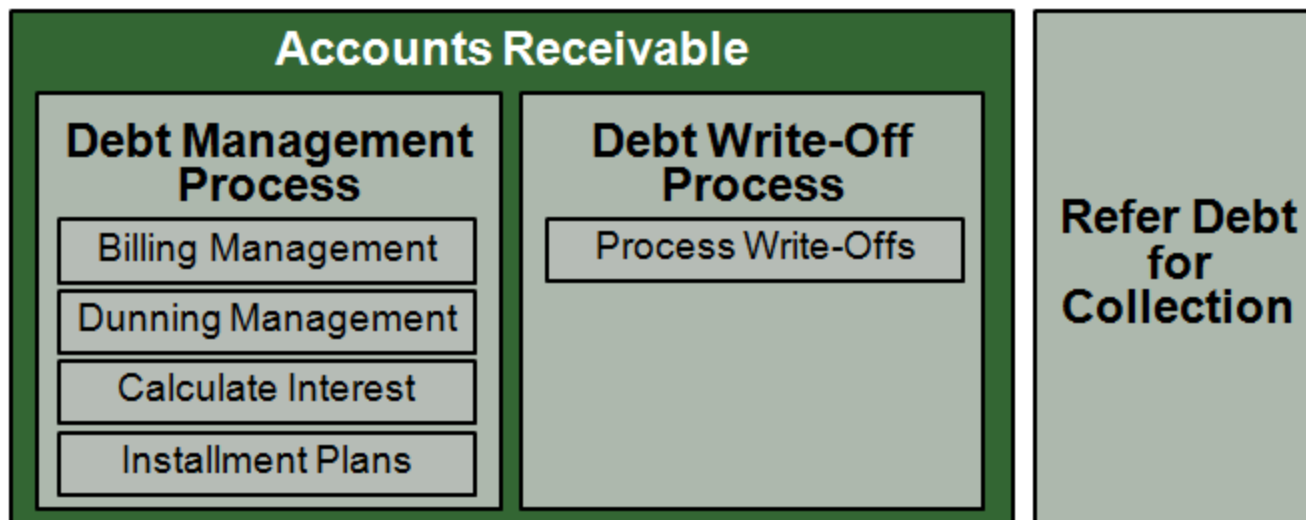- No → End Process
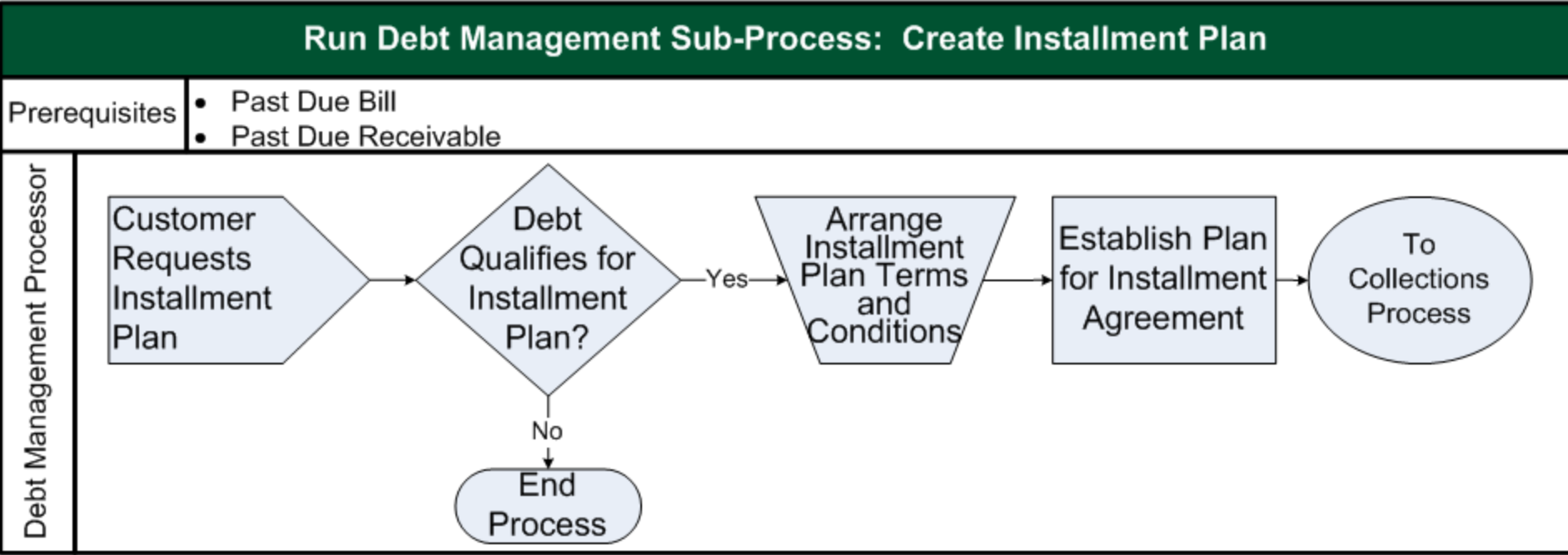
The following business concepts pertain to the Debt Management and Referral sub-process.

- The Debt Management and Referral processes encourage collection of outstanding bills and AR invoices
- For customers with qualifying debt, creating an installment plan allows repayment overtime in scheduled increments
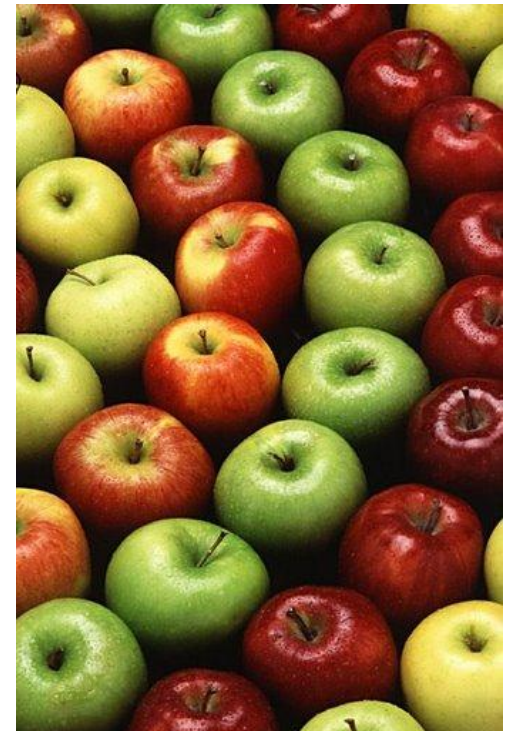
The fee schedule directs the debt management process in FMMI

- A fee schedule is defined for each customer in the customer master data record
- The fee schedule includes the time frames and calculation of fees, interest, and penalties assessed

Dunning and Debt Notification

Run the dunning process in FMMI to produce debt notification letters to customers with outstanding receivables.

- Run the dunning request to retrieve the list of past due commercial customer bills and receivables
- FMMI produces dunning notices to customers at predefined intervals based on the requirements of the customer's fee schedule
- The dunning notification letter informs the customer of any fees, interest, or penalties assessed against the past due debt as part of the Debt Management sub-process

Refer to Collection

After more than 180 days USDA may refer delinquent debt to the US Treasury for collection.

- If a customer remains delinquent after the Dunning process, USDA provides the customer with a notice of intent to offset and an opportunity to review the basis for the debt
- The US Treasury handles referred debt through the Treasury Offset Program (TOP)

# Write-off Debt

Debt that cannot be collected or referred for collection is removed when the Debt Write-Off Processor writes off the debt from the General Ledger.

- The Debt Write-Off Processor is responsible for identifying debt eligible for write-off
- After the write-off process is complete, the Debt Management Processor is notified to change the debt status of the receivable for reporting (TROR)
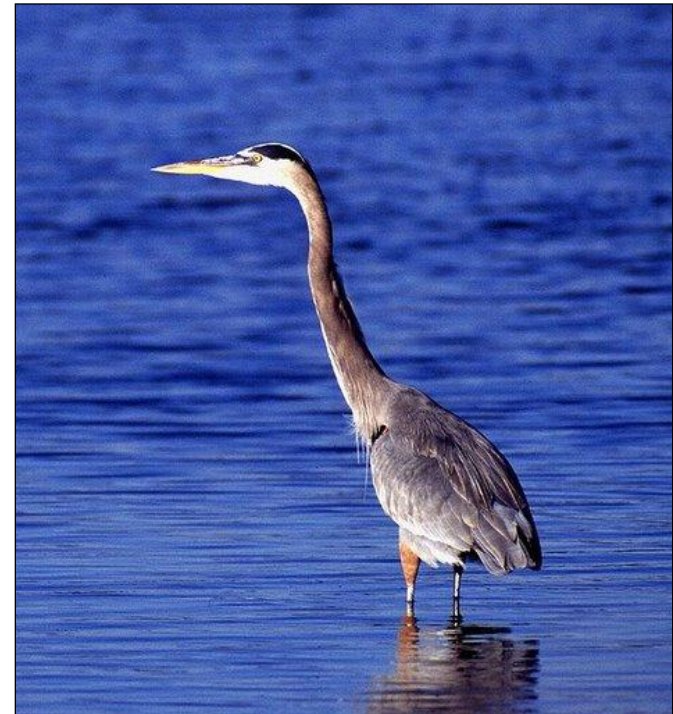
Customers who qualify can arrange an installment plan to repay outstanding debt to USDA over time.

- Only certain customers and certain receivables qualify for repayment via an installment plan

- Based on the amount owed, the Debt Management Processor sets the monthly dollar amount due

- Customers pay installments through the Collections sub-process

The following table outlines the key touchpoints between the Debt Management and Referral sub-process and other business areas within FMMI.

Process Area	Touchpoint
Accounts Receivable - Sales Orders and Billing, AR Invoice, Collections	▪ The Customer Master Data Maintainer selects the fee schedule when creating the customer master data record and changes it, as necessary ▪ The Sales Order Processor can change the fee scheduled used for a specific sales order when creating a new sales order ▪ The Billing Processor, and AR Invoice Processor create open receivables in the General Ledger and notify the customer of payment due
General Ledger	▪ When debt is written of it impacts the General Ledger

Learning Checkpoint Question and Answer (Q&A)

- The questions on the following pages will test your understanding of key concepts in this module

- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing

- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts

- At any time you can review information from this module by clicking Menu and selecting a page from the Menu pop-up

1. **True/False:** In FMMI, the fee schedule calculates the intervals and amounts of fees, interest, and penalties assessed against a customer for past due debt (True)

2. **True/False:** For customers with qualifying debt, creation of an installment plan allows repayment overtime in scheduled increments (True)

3. **True/False:** Debt that cannot be collected or referred for collection is removed when the Debt Write-Off Processor writes off the debt from the General Ledger (True)

4. **Multiple Choice:** Debt that cannot be collected or referred for collection is written-off by the:

   a. Debt Processor

   b. Debt Management Processor

   c. Debt Approver

   d. *Debt Write-Off Processor*

5. **Multiple Choice:** The dunning process produces which of the following

   a. Past Due Debt Reports

   b. *Past Due Debt Notification Letters*

   c. Installment Plans

   d. Fee Schedule

In this module, you learned to:

- Explain the Debt Management and Referral business sub-process
- Explain key debt management and referral terminology and business concepts
- Describe the FMMI roles associated to the Debt Management and Referral sub-process
- Explain the interactions between the Debt Management and Referral sub-process and other business areas within FMMI

Debt Management and Referral Sub-Process Module Completion

Congratulations! You have completed Module 7 – Debt Management and Referral sub-process. The next module provides an overview of the of the Accounts Receivable reports.

Course Outline

- Introduction Module

- Module 1 – Accounts Receivable Process Overview

- Module 2 – Customer Master Data Sub-Process

- Module 3 – Sales Order and Billing Sub-Process

- Module 4 – Accounts Receivable (AR) Invoice Sub-Process

- Module 5 – Collections Sub-Process

- Module 6 – Credit Memo Sub-Process

- Module 7 – Debt Management and Referral Sub-Process

- **Module 8 – Accounts Receivable Reports**

- Course Summary

- Course Evaluation

Welcome to Module 8: Accounts Receivable Reports

- This module provides an overview of Accounts Receivable Reports
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn

Objectives

After completing this module, you will be able to:

- Identify the Accounts Receivable reports key terminology
- Describe the roles and responsibilities for executing the Accounts Receivable reports
- Explain the purpose of the Accounts Receivable reports within FMMI

Review the following terms and definitions before beginning the Accounts Receivable Reports module:

- **BI Reports:** FMMI Business Intelligence (BI) are reports with advanced analytical capabilities including being able to customize the data included in the report. Filtering, sorting and modifying the report layout is also available in BI reports. FMMI AR BI Reports are located on the Portal in the BI Accounts Receivable Reports tab. Data for FMMI BI reports is not real time, the data is batch loaded nightly

- **ECC Reports:** FMMI ECC Reports contain real-time data, the reports have some analytical capabilities and in some reports users are able to drill down to the document level. AR ECC Reports are located on the FMMI Portal in the AR Reports and Sales Order Reports tabs

FMMI User Roles

The FMMI Accounts Receivable Reports includes the following roles:

Role Name	Definition
Accounts Receivable Reporter	Execute Accounts Receivable related reports based on a set of parameters in FMMI
Sales Order Reporter	Execute Sales Order and billing related reports based on a set of parameters in FMMI

FMMI Accounts Receivable Reports

This section outlines the reports in the Accounts Receivable process area.

Report Name	Description
Accounts Receivable Aging Detail Report	This BI report displays the outstanding amounts per customer at a detailed level including past due amounts and amounts cleared after the key due date.
Accounts Receivable Aging Summary Report	This BI report displays the outstanding amounts per customer aggregated from the specified key date, including, past due amounts and amounts cleared after the key due date.
Customer List Report	Used for displaying and for printing customer master data information per customer account. The list can be used for information and documentation. You can narrow down the number of customers to be printed using the available selection criteria, such as the account number of the customer.

FMMI Accounts Receivable Reports Continued

Report Name	Description
Customer Open Item Analysis by Balance of Overdue Items Report	Displays open and outstanding receivable balances for every customer grouped by business area. While the Due Data Analysis for Open Items Report displays a customer's balance by age category, this report provides the line item details for each customer's balance.
Customer Payment History Report	Allows users to carry out a detailed analysis of the payment history of customers. It also contains a forecast of payment volumes and payment arrears, based on the existing payment history.
Due Date Analysis for Open Items Report	Provides a listing of open receivables and overdue receivables by delinquent debt age categories, such as 30 to 60 days overdue.
List Billing Documents Report	Provides a listing of all available billing documents at the customer level. It allows the user to define the time period under which billing documents were entered.

FMMI Accounts Receivable Reports Continued

Report Name	Description
List of Cleared Customer Items for Printing Report	Displays a listing of cleared line items for a specific customer, a range of customers, or for all customers.
List of Customer Line Items Report	The review of open receivables balances can be viewed by customer or by company code. Also, three views of receivable balances are available: 1) All open items – open invoices or cash received but not applied 2) Only cleared items – invoices and customer payments which were applied and cleared 3) All items – all open invoices and unapplied customer payments AND cleared invoices and cleared customer payments. The posting or clearing of an invoice or customer payment is immediate and this report can be viewed after the posting is complete and it will reflect real time activity

Report Name	Description
List of Customer Open Items for Printing Report	Displays a listing of open line items for a specific customer, a range of customers, or for all customers.
List of Customer Open Items Report	Displays a listing of open items for a specific customer, a range of customers, or for all customers.
List of Down Payments Open on Key Date – Customers Report	Provides a line item listing of down payments that have not been cleared by the specified key date by customer account.
List of Sales Orders Report	Provides a listing of all open and closed sales orders.
Open Items – Customer Due Date Forecast Report	Sorts customer open items by the number of days in which they are due net per company code and business area. The sorted totals of all customers selected are aggregated and displayed on a summary sheet. It does not include open items that are overdue.

Report Name	Description
Transaction Figures: Account Balance Report	This report displays a customer's total balance by fiscal year and company code. For each customer account, the total debit, total credit, total balance, and accumulated balance (total balance + carry forward balance from previous fiscal year) are displayed.
Transaction Figures: Special Sales Report	Displays a customer's total balance from AR transactions marked by a special G/L indicator. It can be executed by customer account, company code, and fiscal year. Special G/L Indicators are used for customer activity in the AR module to identify transactions that are not standard 1310 A/R activity.
Treasury Report on Receivables (TROR) Integration	This report is used to provide information to Treasury on the status of debt owed to federal agencies.

Learning Checkpoint Question and Answer (Q&A)

- The questions on the following pages will test your understanding of key concepts in this module

- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing

- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts

- At any time you can review information from this module by clicking Menu and selecting a page from the Menu pop-up

1. **Fill In**: The _____ report is used to provide information to Treasury on the status of debt owed to federal agencies

   (TROR Report)

2. **Multiple Choice:** Which of the following user roles executes AR - related reports based on a set of parameters in FMMI
   a. Accounts Receivable Evaluator
   b. Accounts Receivable Administrator
   c. **Accounts Receivable Reporter**
   d. All of the Above

3. **True/False**: Data in FMMI ECC Reports is real-time (True)

4. **True/False:** A report is available for printing that shows all Customer Master data information per customer account (True)
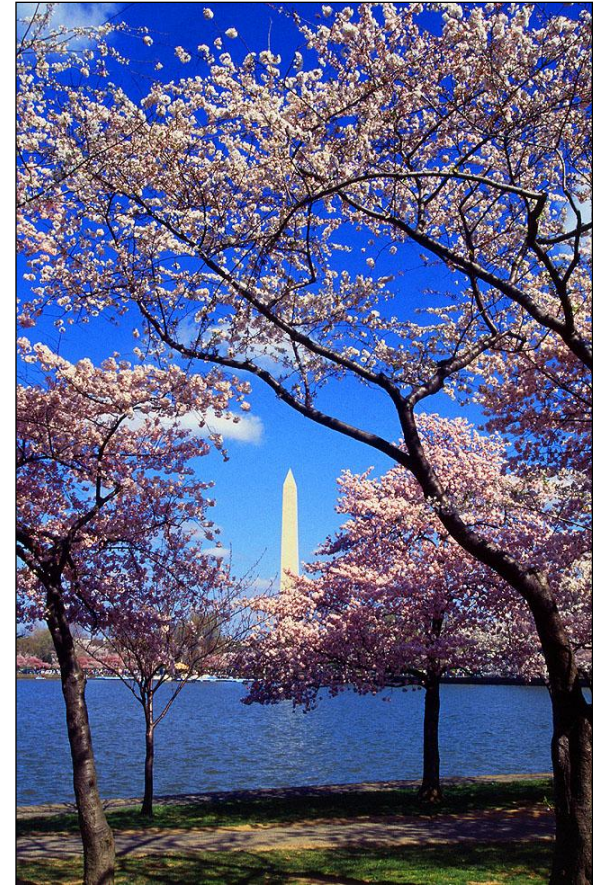
In this module, you learned to:

– Identify the Accounts Receivable reports key terminology

– Describe the roles and responsibilities for executing the Accounts Receivable reports

– Explain the purpose of the Accounts Receivable reports within FMMI

Congratulations! You have completed Module 8 – Accounts Receivable reports. The next module provides a course summary.

- Introduction Module

- Module 1 – Accounts Receivable Process Overview

- Module 2 – Customer Master Data Sub-Process

- Module 3 – Sales Order and Billing Sub-Process

- Module 4 – Accounts Receivable (AR) Invoice Sub-Process

- Module 5 – Collections Sub-Process

- Module 6 – Credit Memo Sub-Process

- Module 7 – Debt Management and Referral Sub-Process

- Module 8 – Accounts Receivable Reports

- **Course Summary**

- Course Evaluation

Course Summary

After completing this course, you will be able to:

- Explain key Accounts Receivable terminology and business concepts

- Explain the high level Accounts Receivable process and sub-processes

- Explain the FMMI roles required to perform the Accounts Receivable processes

- Explain how other business areas interact with the Accounts Receivable process

- Provide examples of the FMMI Accounts Receivable related reports

Course Outline

- Introduction Module

- Module 1 – Accounts Receivable Process Overview

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- Module 7 – Debt Management and Referral Sub-Process

- Module 8 – Accounts Receivable Reports

- Course Summary

- **Course Evaluation**

Course Evaluation

- In our efforts to continuously improve FMMI Training, please complete the course evaluation
- The FMMI team uses the results of evaluations to determine the overall effectiveness of the training program and to identity improvements for future sessions
  - Your answers will remain confidential but you may also provide your name if desired
- The evaluation can be accessed at the following link:

Course Survey